

Senate of Pennsylvania

SENATE DEMOCRATIC WRAP-UP FOR THE 1981- 1982 LEGISLATIVE SESSION

The Pennsylvania Senate adjourned sine die Nov. 30, 1982, ending the 1981-82 session which will likely be remembered for cutbacks in social programs and the enactment of tougher anti-crime laws.

The Republican controlled legislature trimmed social programs in the name of austerity, but did so against a background of increasing business bankruptcies and the highest unemployment rate in Pennsylvania in 40 years. Therefore, the two-year session just ended may as well be remembered for its failure to pass economic development legislation advanced by minority Democrats and legislation to hold down a mounting Unemployment Compensation Fund debt as it will be for the legislation detailed in this review.

This session was also marked by an unusual lack of candor by the administration toward the legislature. The 1982-83 budget was enacted in record haste as an un-amendable conference committee report amid dramatic administration assurances that it was balanced. Democrats had asserted that the budget was carrying about a \$200 million deficit, which the administration finally conceded was true one week after the general election. Similarly, the administration denied that money borrowed from the federal government to pay mounting unemployment compensation claims this year would be subject to a 10 percent penalty. Now, it is conceded the added interest penalties must be paid and that the total UC debt has surpassed \$2 billion. Finally, the administration's much heralded welfare reform legislation was estimated by the administration to trim some 68,000 recipients from the general assistance rolls. With the program about to go into effect, the number of affected recipients has climbed to 100,000.

Democrats had opposed the administration-backed bill to chop recipients between the ages of 18 and 45 from general assistance, proposing instead that they be given the opportunity to work off their \$172-a-month welfare checks on public service jobs. Republicans agreed to a three-month a year public service program, which means that payments are totally denied nine months out of the year regardless of whether any jobs are available or not.

The Republican answer to the state's high unemployment rate, now 12.1 percent, was the highly touted Ben Franklin Partnership Fund, which with an appropriation of \$1.5 million will supposedly transform Pennsylvania into a "high technology" employment state.

Senate Democrats tried to improve the Ben Franklin legislation with amendments to permit the Pennsylvania Industrial Development Authority (PIDA) greater latitude in making loans to small businesses, to create a privately owned equity bank that would acquire capital through state tax credits and channel investments into state businesses, and to provide job training and placement for high school students before they graduate. All the amendments were defeated along party lines.

In the state's financial matters, the Republican majority legislation to make permanent increases in the corporate net tax and the personal income tax. They were due to drop Dec. 31, 1983. Also, legislation was passed, again with Democrats opposed, that permit the state to take over bank accounts that have been inactive seven years or more.

This session also approved tax increases to bolster the highway budget. There was a 3.5 percent franchise tax enacted on gasoline and oil products sold in Pennsylvania, equivalent to increasing the gas tax by 4 cents a gallon. Also, a \$36 an axle tax was imposed on trucks to help retire the debt on a \$1.6 billion bond financed bridge project, also approved this session.

A more bipartisan stance was taken on the passage of a number of social and anti-crime bills. These included abortion control legislation and perhaps the nation's toughest drunken driving bill, which among other things provides for a mandatory minimum jail sentence of 48 hours for a first offense. Also, enacted was mandatory sentencing of at least five years in jail for repeat offenders of violent crimes, and the endorsement of sentencing guidelines expected to increase the average minimum criminal sentence by 49 percent statewide.

Legislation providing mandatory minimum jail sentences for crimes committed against the elderly and the young was approved as was legislation to strengthen penalties against arsonists and one introducing a new verdict of guilty but mentally ill. Legislation was also passed to crack down on the look-alike drug industry that has been thriving in Pennsylvania. So called "puppy mills" will be discouraged under legislation tightening inspection requirements of kennels.

As might be expected in a Republican controlled legislature, some pro-financial institution bills were passed. Interest rates on car loans and consumer credit were permitted to go up to 18 percent.

And late in the session, a bill was passed to permit banks to charge credit card holders a service fee of up to \$15 a year. Banks, as a result of legislation enacted this session, will be able to expand gradually statewide.

Legislation was also approved that enjoyed solid backing by the Democratic caucuses. These include a measure to develop Pennsylvania's native energy resources through the creation of a Pennsylvania Energy Development Authority, a measure prohibiting utilities to charge ratepayers on the basis of construction work in progress (CWIP), and a measure allowing the Pennsylvania Higher Education Assistance Agency to sell tax exempt bonds to finance student loans.

Some ideas that had originated with Democrats in "previous years also saw legislative action this session. These include reducing car inspections from twice to once a year, reducing registration fees for the elderly, raising the income eligibility for exemptions for certain local taxes, opening up confidential child abuse files, issuing bonds for community water improvement projects, and expansion of the lottery financed senior citizen programs begun in the previous Democratic administration.

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Legislation is coded as follows:

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

Budget and Finance

*****Boosting Revenues** -- In the closing days of the 1981-82 session, the Senate Republican majority pushed through two measures designed to increase state revenues by about \$400 million a year and thereby shore up the administration's deteriorating budget situation.

Voting strictly along party lines, the Republican majority approved 26-22, **House Bill 682**, which permanently raises the personal and corporate net income taxes. The measure was signed as **Act 246** on Dec. 9, 1982. The Senate also approved **House Bill 1649** by a vote of 26-23, also signed Dec. 9, 1982 as **Act 248**, which gives the commonwealth power to collect accounts in banks and other financial institutions that have been inactive for only seven years.

Increases in the personal and corporate net income taxes are expected to generate an added \$300 million annually. The accelerated takeover of inactive bank accounts may bring in an extra \$60 million to \$80 million a year.

Senate Democrats opposed both proposals because the tax hikes were being advanced well before the presentation of a budget or revenue projections for 1984-85. Democrats also noted that before the November, 1982 general election, the governor through commercials and news accounts was widely quoted as saying his budgets have all been balanced without the need for general fund tax increases.

House Bill 682 makes permanent the increases that have raised the corporate net income tax to 10.5 percent, the highest of any state in the Northeast, and the personal income tax to 2.2 percent. Both taxes were slated to drop to 9.5 percent and 2 percent, respectively, on Dec. 31, 1983.

Other provisions in **HB 682** include exempting certain periodicals and the sale and use of school buses from the state sales tax; exempting from the Public Utility Realty Tax (PURTA) lands and facilities used to generate hydroelectric power; and exempting from the Realty Transfer Tax transfers of land to nature conservancies.

House Bill 1649 changes the state's escheats law whereby the commonwealth can claim inactive bank accounts after only seven years instead of the current 21 year waiting period. Senate Democrats objected this was an attempt to balance the budget on the backs of widows and others who tend to leave legacies untouched in bank accounts for relatively long periods .

*****1982-83 State Budget** -- A Republican controlled conference committee threw a \$10.8 billion combined budget for 1982-83 into a 1981-82 supplemental appropriation bill (**SB 929**) and rammed the measure through the

legislature strictly along partisan lines. The budget package, insulated from amendments by rank and file members through this parliamentary maneuver, was approved 26-23 in the Senate and 102-93 in the House, reflecting the Republican majorities in those chambers. The Senate Republican leadership refused even to explain the budget package on the Senate floor, which only an hour earlier had been flushed through a conference committee.

Senate Bill 929 was a \$79 million supplemental appropriation bill to pay mostly for under-funded special education and welfare costs for 1981-82.

It was amended in conference committee to include a \$7.2 billion General Fund budget, which covers such general government costs as education, health and welfare; a \$1.2 billion Motor License Fund budget, which pays for highway and bridge construction and maintenance; and a \$2.3 billion federal augmentation budget. This maneuver permitted rank and file legislators only a yes or no vote on the entire budget package.

Usually, these budgets are passed as independent bills, capable of receiving amendments from the floor.

The \$7.2 billion General Fund budget for 1982-83 compares with a \$6.8 billion 1981-82 budget. Chief criticism by Senate Democrats centered on inadequate funding for education and the removal of funding for Department of Aging programs.

The basic education subsidy to the state's 501 school districts remains at \$1.55 billion for 1982-83, meaning the state's share for this cost will slip to 39 percent or 11 percent below the mandated 50 percent state share. This is triggering a heavy round of local school district tax increases. The new budget does provide for \$72 million as a supplement for student learning, which will be distributed under a new formula contained in **HB 517** which was also signed by the governor (see education).

For the first time, the budget will not support programs in the Department of Aging. Instead, the administration will draw \$18 million from the Lottery Fund to underwrite the department's costs.

In higher education, the 13 state colleges and Indiana University were given a \$13 million increase to \$230.4 million. But this is considered insufficient to avert a \$230 a year tuition increase next year.

Support for the state's general hospitals was reduced \$800,000 to \$1.2 million. The reduction is expected to cripple financially the general hospitals at Hazleton, Nanticoke and Connellsville.

The desperate job situation in Pennsylvania, which has suffered a net loss of 78,300 jobs between 1979 and 1981, was not helped in this budget which slashed a current \$5 million appropriation for the Port of Philadelphia down to \$1 million.

The \$1.2 billion Motor License Fund budget includes \$13 million less for highway maintenance than the 1981-82 budget, despite three successive tax increases granted the governor for road repairs.

The governor was given a two-cent a gallon increase in the state gas tax in 1979, worth \$100 million. The next year, he was given an additional \$95 million in registration fee increases--which included boosting the state inspection sticker fee from 25 cents to \$1. The sticker fee this year was raised to \$2. Also, last year, a 3.5 percent oil franchise tax was approved, calculated to pour \$200 million into the highway budget.

Senate Bill 929, the combined budget package, was signed into **Act 2A** by the governor May 11.

*****Bridge Building Project And Axle Tax** -- In the final week of the session, bills were enacted authorizing massive bond-financed bridge building projects and a new axle tax on heavy trucks.

Senate Bill 831, signed Dec. 8, 1982 into **Act 235**, authorizes a \$980 million bond sale to help finance the repair or rebuilding of more than 900 bridges throughout the commonwealth. The cost of the project is variously estimated to range from \$1.2 billion to \$1.6 billion, with about nine years to put all the money together. About \$400 million to \$500 million in federal matching funds is expected.

Senate Bill 457, signed Dec. 8, 1982 into Act 234, provides for a \$36 per axle tax on trucks over 26,000 pounds. However, a corresponding reduction in fees for Pennsylvania trucks will mean the effect of the new tax will apply only to out-of-state trucks. The axle tax is expected to generate about \$69 million a year which will be used to retire the bond debt.

Steel used in the bridge projects, according to the legislation, must be made in the United States unless the Secretary of Transportation determines "that certain required products are not produced in the United States in sufficient quantities." The legislation also provides that "Pennsylvania based facilities shall be actively solicited to make bids on contracts to furnish products and materials ."

*****Non-Preferred Appropriations** -- Nearly \$371 million in non-preferred appropriations for state related schools and cultural and health institutions were approved for the 1982-83 fiscal year. These expenditures, contained in 42 separate bills (**SBs 1445-86**) will boost the General Fund budget for 1982-83 to about \$7.6 billion.

Overall, the non-preferred appropriations amount to a \$19.5 million increase over 1981-82. The bulk of the money in the non-preferred measures goes to the state related colleges and medical schools.

They include, a \$143,481,000 appropriation for Penn State, compared with \$135,552,000 in 1981-82; a \$78,235,000 appropriation for the University of Pittsburgh, compared with \$73,956,000; a \$87,083,000 appropriation for Temple, compared with \$82,411,000; \$4,441,000 for Lincoln, compared with \$4,084,000; \$22,892,000 for the University of Pennsylvania, compared with \$21,787,000.

Also, \$3,707,000 for Hahnemann, compared with \$3,507,000; \$6,092,000 for Thomas Jefferson, compared with \$5,854,000; \$2,349,000 for the Medical College of Pennsylvania, compared with \$2,231,000; \$3,800,000 for Philadelphia College of Osteopathic Medicine, compared with \$3,585,000; and Drexel University, \$4,079,000, compared with \$3,940,000.

*****PUC Budget**, 1982-83 -- The Senate, after adjourning for the summer June 8, was recalled to act on a budget for the Public Utility Commission on the eve of the 1982-83 fiscal year. A budget (**SB 1135**) totaling \$20,526,000 was approved by the Senate 44-4 and signed by the governor June 29 into **Act 187**.

The new budget represents a 9 percent increase over the \$18.9 million budget for 1981-82. It is also \$800,000 higher than the \$19.7 million budget recommended by the governor.

Democrats tried and failed to amend the PUC bill to include provisions that would hold down utility rates and monitor nuclear facilities.

*****Capital Budget, Prison Project** -- A \$237 million supplement to the 1981-82 state capital budget was signed by the governor Dec. 22, 1981 into **Act 166**. It includes \$128 million bond authorization to expand the state prison system with 2,380 new prison cells.

The capital budget supplement had been approved as a conference committee report on **House Bill 1645**. It was sent to the governor as a \$251 million bond authorization, but \$14.3 million were line-item vetoed.

The largest deletion was \$7.8 million for Locust Mountain State General Hospital, Schuylkill County, which the administration is closing.

The prison projects outlined in **HB 1645** include, Graterford, \$28.6 million; Muncy, \$990,000; Huntingdon, \$27 million; Cambria, \$16 million for conversion of Cresson Center; Dallas, \$6 million; Greensburg, \$5 million; Mercer, \$6 million; Luzerne, \$15 million for the conversion of Retreat State Hospital; and \$21.6 million for Pittsburgh.

*****Capital Budget Increased** -- An amendment to the capital budget for 1981-82 was approved and signed by the governor June 19 into **Act 164**. The measure increases the total project authorization for the

Department of General Services from \$251,206,000 to \$257,316,000.

The increase includes improvements to the Pittsburgh State Office Building at \$6 million and refurbishing the McKeever Environmental Center at \$110,000. Total project authorization for the Department of Transportation was increased from \$31,025,751 to \$41,100,751 to include a \$3,208,000 project for the Allegheny Port Authority, about \$3.5 million for Philadelphia street projects and a number of other projects.

*****Capital Budget Increased Again** -- An additional \$39,180,000 was authorized for projects in the 1981-82 budget in **House Bill 2304**, which was signed into **Act 222** on Dec. 6, 1982. The new projects include \$3,460,000 for the construction of a research facility for coal desulphurization at a yet undetermined site; \$29,600,000 for a center for rehabilitation of physical and neurological developmental disabilities at the Hershey Medical Center; \$2,660,000 for construction of an adolescent and child psychiatric unit at the Hershey Medical Center; and \$3,460,000 for a gymnasium, auditorium and study building at Penn State's Wilkes-Barre campus.

****Capital Budget Amended** -- The capital budget for 1979-80 was amended by **House Bill 2622**, approved unanimously by the Senate and awaiting the governor's signature. The measure deletes boiler plant projects at Warren State Hospital and Woodville State Hospital and expands the boiler plant project at Mayview State Hospital to \$5,160,000.

It also provides an additional authorization of \$35.2 million for the construction of a new state correctional institution in Schuylkill County and for improvements in the state's computer communications network.

Another \$20 million is authorized for a remote communications center.

****More Capital Budget Changes** -- The Senate unanimously concurred in changes to the 1971-72 capital budget contained in **Senate Bill 1533** which now awaits the governor's signature. The measure increases the total spending authorization by \$446,000 to \$62.1 million. It also deletes a \$1.9 million student union and parking project at the University of Pittsburgh's Bradford campus. Instead, a \$1.4 million project was added for repairs at the University of Pittsburgh's Western Psychiatric Institute and Clinic. Also added was \$935,000 for construction of an emergency services training center at Westmoreland County Community College and \$50,000 for a flood wall at Danville, Montour County.

*****Vietnam Herbicide Commission** -- The Senate unanimously approved **House Bill 2623** which was signed into **Act 250** on Dec. 9, 1982.

The legislation makes the \$150,000 appropriation for 1981-82 to fund the new Vietnam Herbicides Information Commission a continuing appropriation which would lapse June 30, 1983.

*****Flood Recovery Fund** -- An additional \$2.7 million bond financed expenditure for a flood protection project in Indiana County was approved under **HB 164**, now **Act 42**. This increases the total bond authorization to repair damage incurred in the 1977 flood to \$52.7 million.

*****General Fund Budget Cut** -- In December, 1981, because of a projected cutback of \$267 million in federal funds, a proposed reduction in the \$6.8 billion General Fund budget for 1981-82 was inserted into a conference committee report on **Senate Bill 618**, a federal augmentation bill. The governor had proposed an across-the-board one percent cut, but the conference committee report, amended in committee and on the Senate floor, exempted education and welfare grants from the cuts.

The bill, signed Dec. 21 into **Act 57A**, ended up as a \$27 million cut in the 1981-82 budget. The projected cutback in federal funds included a \$115 million tax break for business. The business tax break stems chiefly from federal approval of more rapid depreciation allowances which would affect state taxes as well because Pennsylvania's corporate net income tax is pegged to the federal depreciation tables.

However, state legislation enacted at the end of December will delay the tax breaks until 1983.

*****Corporate "Windfall" Tax Break** -- Despite Democratic objections, the Republican legislative majority

in both the Senate and House voted to pass a bill (**HB 82**), **Act 141**, which paves the way for a "windfall" tax break for Pennsylvania corporations - at a time when no such relief is in store for Pennsylvania's individual taxpayers.

Although it will not begin to become effective until next year, the "windfall" will come in the form of state tax savings on top of the federal tax savings Pennsylvania corporations have already garnered from the Reagan administration.

And, the state tax break for big business will eventually be fully retroactive to 1981.

Specifically, Pennsylvania corporations will reap 50 percent of the windfall state tax break in 1983, and 100 percent of the windfall state tax break in 1984 and thereafter. And, the legislation provides that state tax breaks deferred in 1981 and 1982 and the other 50 percent deferred in 1983 will be fully recovered by business at the rate of 25 percent per year or \$10,000 per year (whichever is greater) beginning in 1984 and for as long as it takes.

The issue revolved around the fact that Pennsylvania's tax depreciation schedules for corporations are tied to the same schedules used by the federal government.

As a result of the Reagan administration's action to permit businesses to greatly accelerate the depreciation of buildings, machinery and other property for tax write off, or tax savings purposes, Pennsylvania was automatically faced with a huge state corporate net income tax revenue loss.

Pennsylvania, however, had the clear option of totally severing its depreciation schedules from the federal government's tables - thus avoiding the windfall tax break to Pennsylvania corporations and thus avoiding any additional revenue loss to the state.

Instead, the Republican legislative action - which Democrats contended was at the direction of the Thornburgh administration - only defers the added tax break to business and delays the day of reckoning to pay for that break which, according to estimates, could amount to a billion dollars or more over the next 10 years.

And, like the federal program, there is no requirement that Pennsylvania corporations must use any of these tax savings to reinvest and create jobs in Pennsylvania.

*****Gypsy Moth Spraying** -- Despite a \$27 million reduction in 1981-82 spending, the legislature approved a \$4 million appropriation for gypsy moth spraying for the fiscal year (**HB 1643**). It was signed by the governor Feb. 2 into **Act IA**.

****Land Sale and Fee Increases** - Another \$21 million in revenue will be raised to support the 1981-1982 general fund budget with **SB 425**, now **Act 48**.

This legislation will enable the governor to sell state lands under an omnibus bill that does not require affirmative action by the legislature. The plan would be approved if not rejected by the legislature or if it successfully passed a petitioned vote by legislators.

Senate Democrats had opposed **SB 569**, the original land sale bill, because the administration did not provide an inventory of lands to be sold. Instead, the administration indicated sufficient lands would be sold to raise \$15 million for fiscal 1981-82. Democrats feared the lack of proper bidding procedures could invite abuses.

Senate Democrats also objected to the original measure's inclusion of state forests and recreational lands. When the measure was finally approved as **SB 425**, it included the Democratic amendment to exclude state forests and recreational lands from the bill.

Senate Bill. 425 also provides for \$6 million worth of various fee increases. These include a host of fees charged for an assortment of licenses and permits.

*****Federal Augmentation**, Block Grant Program -- Some \$2.2 billion in federal funds were approved to supplement the 1981-82 general fund budget. Included in the augmentation funds are seven block grants totaling about \$208 million. The measure (**HB 1290**) was signed into **Act 56A** by the governor Dec. 21.

*****Adjustments in State And Federal Money for 1982-83** -- State and federal appropriations for 1982-83 were adjusted in **Senate Bill 939**, signed Dec. 9, 1982 into **Act 51 A**. The federal augmentation for the general fund budget was increased \$201,809,000 to a total of \$1.3 billion.

The increase was divided among a number of state agencies.

Increases in state appropriations in the general fund are Attorney General, \$641,000; Treasury Department, \$560,580; Commerce Department, \$50,000; Community Affairs, \$25,000; Philadelphia Municipal Court, \$25,000; and DER for flood repair in Danville, Montour County, \$50,000.

Senate Democrats objected to the noticeable lack of an increased appropriation for the Auditor General, the only statewide post held by a Democrat.

*****Oil Franchise Tax** -- Passage of the \$1.2 billion 1981-82 highway budget was keyed to passage of a 3.5 percent franchise tax on gasoline and oil products sold in Pennsylvania. The measure, **SB 161**, is now **Act 35**.

Oil companies have already passed the tax through to consumers by a 4-cent per gallon increase in the price of gas, despite assurances from the administration that the oil companies could deduct partially the new state tax from their federal taxes.

The 3.5 percent oil franchise tax will provide the administration with an additional \$192 million in highway revenues. The 4-cent hike at the pumps means consumers are paying a state gasoline tax of 15 cents a gallon.

This was the third year in a row that the governor won an increase in highway taxes. He was given a 2-cent a gallon increase in the state gas tax in 1979, his first year in office. This was worth \$100 million. The next year he was given an additional \$95 million in registration fee increases.

****Urban Tax Relief** -- A proposed constitutional amendment (**HB 202**) which would pave the way for real estate tax relief to longtime residents of homes in areas of urban renewal in Allegheny and Philadelphia counties cleared the General Assembly for the second successive legislative session. "

The proposed amendment now goes to the voters for final approval.

***School Property Tax Reform** -- The Senate passed (30-16) a bill (**SB 1085**) which would have allowed school districts to replace residential real estate taxes with a locally based income tax to finance a significant share of the costs of public education.

The measure died in the House.

***Property Tax Ratio** -- The Senate passed a proposed constitutional amendment (**SB 1345**) which would have enabled the General Assembly to establish a different property tax ratio for owner-occupied property in Pennsylvania.

The measure died in the House.

*****Electric Fund Transfers** -- A measure (**SB 1309**) that permits the state Treasury Department to revamp internal audit procedures and pay vendors by electric fund transfers as well as by check cleared the legislature and was signed into law (**Act 195**).

*****Thrift Deductions** -- The General Assembly has passed legislation (**HB 1093**) providing for a deduction and carryover of net operating losses for Pennsylvania's mutual savings banks and savings and loan

associations in their determination of net earnings for corporate net income tax purposes.

The measure would permit a loss carryover for thrift institutions for up to three years and phase in the practice over a three year period. The bill became **Act 184**.

*****Sales Tax Exclusion** -- The Senate and House have passed (**SB 826**) and the governor has signed into law (**Act 109**) a measure excluding the state sales tax from supplies and materials sold to tourist promotion agencies for distribution to the material. public as promotional.

The exclusion, which is retroactive to January 1, 1978, is limited to those agencies which receive grants from the commonwealth.

*****Pittsburgh Tax Delinquency Charge** -- A package of bills (**HBs 1997, 1998, 1999**) enabling the Pittsburgh School District to increase the interest charged tax delinquents was passed and signed into law (**Acts 124, 125, 134**).

The interest rate on delinquent school property taxes, delinquent mercantile taxes, and delinquent employer remittance of employee wage taxes would be boosted from 6 percent to a rate based on the Federal Reserve Discount Rate in the Pittsburgh area.

*****Employee Tax Deferral** -- Legislation (**SB 1243**) intended to permit employee contributions to the State Employee Retirement System to be treated - for federal tax purposes - in a manner similar to an Individual Retirement Account or IRA passed the General Assembly.

The legislation would enable state employees to defer the payment of federal income taxes on that portion of their salary which is paid into the retirement system. The federal taxes would be paid at the time of retirement.

*****Inheritance Tax Changes** -- The Senate and House passed legislation (**SB 636**) making numerous changes in the state's Inheritance Tax Law.

Among its key provisions, the legislation reduces from two to one year the period before death in which transferred estate property will be subject to the inheritance tax. The legislation also contains a provision requiring that reimbursed medical expenses in a decedent's estate be treated as assets and, therefore, subject to tax.

Additionally, the measure provides that Keough and IRA plan proceeds be exempt from inheritance taxes as would the transfer of life insurance.

An amendment added in the House provides that persons who inherit a small business be permitted to pay inheritance taxes in quarterly installments.

****Auto Sales Tax** -- Legislation (**HB 1656**) providing for the suspension or revocation of motor vehicle sales licenses of dealers that fail to collect the state sales tax or any other fee due the commonwealth upon the sale of any vehicle passed both houses of the General Assembly.

*****Unemployment Compensation Taxes** -- A legislative proposal (**HB 1030**) that requires cooperative agricultural associations to pay unemployment compensation taxes was enacted (**Act 41**).

The measure was specifically designed to address a situation whereby the Lehigh Valley Cooperative Farmers Association had won a favorable ruling from Commonwealth Court exempting them from having to make unemployment compensation payments, even though members were able to draw benefits from the fund. The legislation, designed to close the loophole, is retroactive to January, 1977.

*****Delinquent State Taxes** -- A legislative proposal (**HB 1650**) boosting the interest charged on delinquent state taxes has been signed into law (**Act 78**). Previously, only a six percent interest charge was applied to delinquent taxes. The new law will make the rate identical to that of the prime rate.

The legislation also provides that overpayments by taxpayers be refunded with interest set at the prime rate if the overpayment is not refunded by the state within six months.

*****TMI Gross Receipts Tax "Windfall"** -- A conference committee report on legislation (**HB 1040**) that will prevent the state from collecting "future" excess or windfall gross receipts taxes from utility customers served by Met Ed and Penelec was adopted and signed into law (**Act 172**).

The measure will eliminate the 4.5 percent gross receipts tax levy on costs incurred by customers for replacement power purchased by Met Ed and Penelec's parent firm General Public Utilities as a direct result of the 1979 mishap and shutdown of the company's nuclear generating facilities at Three Mile Island.

The legislation is expected to result in a future annual savings of \$6 million for GPU customers.

As noted by Senate Democrats, however, the Republican sponsored legislation doesn't go far enough because it is not retroactive. This means that approximately \$10 million in excess or windfall gross receipts taxes that the state has collected - between the time of the TMI mishap and the enactment of this legislation - will not be returned to GPU customers.

Democrats contended that while this legislation was a step in the right direction, it was a "watered down" version of another bill (**SB 835**) that had been bottled up in committee by the Senate Republican leadership for more than a year.

In addition to the gross receipts tax provisions of the conference report on **House Bill 1040**, the legislation also exempts the sale of brook trout, brown trout, and rainbow trout from the state sales tax and requires the state Department of Revenue to share corporate tax information with the Department of State.

*****State Employees' Retirement System** -- The General Assembly passed and the governor signed into law (**Act 45**) a measure (**SB 725**) permitting the State Employees' Retirement System to institute new investment practices.

By allowing greater flexibility in the investment of funds, proponents suggested that taxpayers' contributions to the system could be reduced.

The measure provides for an annual audit of the system by an independent certified public accountant and allows the retirement board to contract for legal service.

Additionally, the legislation stipulates that any annuitant who returns to service as a state employee will resume active membership in the State Employees' Retirement System regardless of the optional membership category of the position.

*****Retirement Board Makeup** -- A measure (**SB 918**) providing for legislative representation on the State Employees' Retirement Board was enacted (**Act 67**).

The new law stipulates that two state senators (one Democrat; one Republican) and two state House representatives (one Democrat; one Republican) be appointed to serve on the board by the President Pro Tempore in the Senate and by the Speaker of the House.

*****School Employees' Retirement Fund** -- The General Assembly passed legislation (**SB 1384**) giving the Public School Employees' Retirement Board additional options for investment of funds. The legislation also provides for bipartisan legislative representation (two senators and two state representatives) on the board.

The bill became **Act 183**.

*****Study Commission** -- A legislative proposal (**HB 229**) to establish a Public Employee Retirement Study Commission to review all public employee retirement and pension systems in the state was enacted (**Act**

66).

The commission, comprised of nine persons - two senators, two representatives and five gubernatorial appointees - was to focus its efforts in the area of determining the actuarial soundness of the numerous pension and retirement systems.

*****Treasury Department Investment** -- A Senate-House conference committee report on legislation (**SB 1010**) to give the state Treasury Department greater flexibility in the investment of state funds was adopted and signed into law (**Act 113**).

The conference committee removed previous language in the bill that would have penalized banking institutions which charge interest rates on bank card accounts above what state usury law permits.

The language providing for the penalty (a withdrawal of state deposits from those institutions) was removed because similar language had been contained in the statewide banking bill (**HB 1889**) already enacted.

****Capitol Bank Stock Tax** -- Legislation defining the capitol stock bank shares tax paid by financial institutions as a franchise tax cleared the General Assembly. The measure (**HB 1647**) was necessary to close a potential loophole in the law which might have resulted in a loss of revenue to the state.

****Advisory Committee** -- Legislation (**HB 2046**) creating a special advisory committee to the Public Employees Retirement Study Commission and appropriating \$200,000 for the commission was sent to the governor.

The special committee would consist of representatives of public employee unions, the Pennsylvania Chiefs of Police Association and the Pennsylvania Firefighters Association.

*****Philadelphia Prothonotary Fees** -- Legislation (**HB 1671; Act 206**) establishing certain fees to be charged by the prothonotary of Philadelphia was enacted. The measure establishes a \$10 fee for the filing of any commonwealth lien and a \$25 fee for the filing of any writ of execution.

Labor and Industry

*****Storage of Explosives** -- Legislation limiting the authority of the Department of Environmental Resources to regulate the storage of certain explosives became **Act 57** when signed into law on March 13, 1982.

The bill exempts from DER regulation the storage of black powder in amounts not exceeding 10 pounds, and the storage of other materials such as percussion caps and safety fuses. Exemptions also include the possession and storage of smokeless powder and primers used for reloading rifle and pistol cartridges. At the same time, DER is authorized to adopt regulations for the storage of black powder in quantities exceeding 1,000 pounds. Violations will be considered a misdemeanor.

House Bill 617 passed the Senate February 22, 1982; it had cleared the House on June 16, 1981.

*****Jobless Law Reforms** -- Reforms in Pennsylvania's unemployment compensation law are provided for in **Senate Bill 1006** which became **Act 106** on October 22, 1981.

The measure contains amendments that supposedly will bring the state into compliance with changes in the federal law. The state Department of Labor and Industry had claimed that failure to amend the state law could result in the commonwealth losing \$135 million in federal funds, with state employers also standing to lose a 2.5 percent tax credit.

Minority Democrats in the Senate tried in vain to remove from the law a pension "ripper" provision which was a part of the 1980 unemployment law reform. The "ripper" provision deducted dollar-for-dollar from jobless

benefit payments an amount equal to any pension payments received by claimants.

The Senate passed the bill October 6 and House approval followed on October 21, 1981.

***Child Labor Law Reform**--Legislation (**Senate Bill 1079**) that would have changed the hours minor persons 16 and 17 years of age can work on certain nights died in the House Labor Relations Committee which had held the bill since October, 1981. This bill, amending the Child Labor Law, would have permitted boys and girls' of those ages to work until 1 a.m. on Sundays, but only until midnight on Fridays.

At present, these persons can work until 1 a.m. on Fridays and Saturdays.

The limit is midnight on other nights.

*****Fire and Panic Act -- Senate Bill 568** was signed into law on July 10, 1981, becoming **Act 83**.

The bill in its original form amended the Fire and Panic Act to permit regular updates in egress (exit) requirements to allow for advances in fire and safety technology. It authorized the Department of Labor and Industry to update these requirements through regulations.

The legislation was amended in the House (concurrent in by the Senate) to provide for legislative review of certain rules and regulations and to exclude certain farm buildings from such regulations (those occupied by less than 10 employees which are used for the production or storage of agricultural products or used in the storage of farm equipment.)

Agriculture and Rural Affairs

*****Puppy Mills Curbed** -- The operation of so-called "puppy mills" in Pennsylvania will come under closer scrutiny of state investigators in legislation (**House Bill 1459**) signed into law Dec. 7, 1982, as **Act 225**. The measure, shaped in the final days of the session by a Senate-House conference committee, creates a new Dog Law. The law mandates inspections of kennels handling more than 25 dogs a year, doubles dog license fees, increases fines for abandoning dogs and extends the time a stray animal must be kept before it is destroyed.

The \$2.7 million new revenue to be generated from the license fee hike will be used for dog law enforcement, with excess funds earmarked for grants to humane organizations and to local government for the establishment of animal shelters.

*****Commonwealth Farmland** -- Legislation providing for the efficient and productive use of farmland owned by the commonwealth cleared both the Senate and House prior to the summer recess and was signed into law June 18, 1982, becoming **Act 159**.

Senate Bill 1283 establishes a nine-member advisory committee that will include five persons who are farmers. It transfers the commonwealth's extensive farmland holdings to the Department of Agriculture and authorizes the secretary of agriculture to lease the land, equipment and facilities, with preference to be given young farm families seeking to begin a career in agriculture.

*****Nuisance Suit Protection** -- **House Bill 1823** which became law (**Act 133**) on June 10, 1982, offers protection to farmers from nuisance suits which, proponents of the measure claim have forced many farmers out of business in recent years.

As residential areas expand, farmers often are subjected to pressures stemming from normal agricultural operations -- such as neighbors objecting to odors and noises. The bill limits the circumstances under which farmers may be subjected to nuisance suits and local ordinances. However, it doesn't exempt farm operations that may adversely affect the public health or safety.

Proponents of this bill said farmers needed some form of protection against nuisance suits and pointed out that some three million acres of farm land have been lost since 1960.

*****Milk Official Beverage** -- Among its various "official" symbols, Pennsylvania has a state animal (the whitetail deer), a state bird (the ruffed grouse) and even a state insect (the firefly).

Now, there's an official beverage--milk.

Milk achieved its "official" status through **House Bill 1351** which became **Act 98** on April 29, 1982.

*****Milk Manufacturing Standards** -- **Senate Bill 1350**, now **Act 163**, extends coverage of the Milk Sanitation Act to "manufactured dairy products" and "milk for manufacturing purposes". Signed into law June 19, 1982, the measure also provides for milk cases to be maintained in a sanitary manner and prohibits their storage outside of a retail establishment. The bill passed the Senate May 3, 1982, and cleared the House on June 7.

*****Abuse of Animals** -- A bill (**Senate Bill 633**) making it a summary offense to taunt, tease, beat or strike a dog used by a municipal or state police department was signed into law July 10, 1981, becoming **Act 85**. The bill also adds a section to the Dog Law of 1965 to remove a quarantine requirement for such dogs when they are under the direct supervision and care of a police agency. This bill was passed by the Senate on May 5, 1981; the House approved it June 30.

*****Agricultural Areas** -- **House Bill 143** became **Act 43** on June 30, 1981. This measure authorizes the creation of agricultural areas to protect rural farming lands from expanding metropolitan areas.

Owners of at least 500 acres of agricultural land may submit a proposal for the creation of an agricultural area. Notice then will be given by the local governing body and other landowners and municipalities in the area may propose modifications. The bill provides for a public hearing on the proposal.

*****Noxious Weed Control** -- Legislation enacting the Noxious Weed Control Law is contained in **House Bill 1429** which became **Act 74** on April 7, 1982. The bill creates the Noxious Weed Control Committee within the Department of Agriculture. It will be the panel's task to designate noxious weeds that are injurious to the public health, to agricultural land, etc.

The committee will designate weed control areas and landowners will be required to control the weeds at their own expense.

The bill appropriates \$50,000 from the General Fund for a botanist and part time employees.

Law and Justice

*****License Transfers** -- **House Bill 1268** became **Act 176** on June 24, 1982.

This measure clears the way for the transfer of a liquor license held by a nonprofit nationally chartered club to another municipality within the same county, if liquor sales are legal in the other municipality. At the time such application is made, the club must hold a valid national charter and must, in fact, be functioning as a club.

House Bill 1268 also amends the Liquor Code with respect to licensing establishments located near an interstate highway. A license now can be granted to an applicant if the establishment's entrance is within 300 feet of the entrance or exit of an interstate.

Previously, a license could not be granted if the entrance of the establishment was within 300 feet of any part of an interstate ramp.

A Senate amendment to the bill corrects an oversight in **Senate Bill 484 (now Act 24)** which cleared the

way for election day liquor sales. **Senate Bill 484** provides for certain liquor licensees to serve alcoholic beverages while the polls are open. The measure, however, excluded retail dispenser licensees--those licensed to sell only beer. The amendment to **House Bill 1268** enables "hotel, eating places or municipal golf course retail dispenser licensees" whose food and nonalcoholic beverage sales equal 40 percent or more of the combined gross sales of food and malt or brewed beverages to qualify for a Sunday sales permit and also sell brewed beverages on election days.

*****Hotel License Renewal** -- Another Liquor Code amendment is incorporated in **House Bill 972**, signed into law June 25, 1982, as **Act 179**.

The measure provides for renewal of a hotel liquor license if the structure is destroyed by fire or natural disaster and is not rebuilt because it is economically unfeasible to do so. This amendment will permit a licensee to continue in business as a hotel licensee, but without having to adhere to room requirement provisions upon which the license was granted.

*****Destruction of Vehicles--House Bill 758**, legislation that establishes a specific offense for the destruction of vehicles by fire or explosion, was signed into law April 29, 1982, as **Act 101**. The bill provides a defense if a person who plans the destruction of a vehicle by either method notifies the state police 48 hours in advance. Two other stipulations must be met: 1--the vehicle must be free of any encumbrance; 2--there is no insurance covering loss by fire or explosion,

*****Railway Police Powers**--Additional powers and authority are granted to street railway and railroad police officers in **Senate Bill 535**, signed into law Nov. 23, 1982, as **Act 196**. This measure permits an officer employed by a firm operating a railroad or street railway system, or a public authority, to pursue and detain a suspect off the property of the fire or public authority. The House amended the bill to provide that these officers must complete the same course of instruction required for municipal police officers.

Another amendment exonerates the commonwealth from liability in the event the officer commits a wrongful act.

*****Election Day Liquor Sales** -- Certain bars, hotels and restaurants are permitted to sell beer and liquor on election days as a result of **Senate Bill 484** being signed into law. The measure became **Act 24** on Feb. 18, 1982. The bill enables establishments qualifying for a special Sunday sales permit (those whose sale of food and non-alcoholic beverages are equal to 40 percent or more of the combined gross sales of food and alcohol) to remain open on election days. About 5,500 of the state's 20,000 licensees presently qualify for the special permit.

*****Retired Police Officers** -- **House Bill 118** awaits the governor's signature to become law, having been passed by the Senate (Nov. 24) and the House (Nov. 29). This bill would exempt non-disability retired police officers from meeting certain requirements if they are employed as a security officer by a private firm.

Any retired municipal police officer or state policeman who served at least 20 years will not have to meet certain standards under the Lethal Weapons Training Act, including training and qualification standards and physical and psychological standards, if he becomes a privately employed agent on or before three years from the retirement date. The bill also waives the fingerprint check requirement through the FBI. The bill was amended in the Senate to include an officer of a municipal authority as a "privately employed agent.

****Anonymous Complaints/Special License** -- Two bills awaiting action by the governor provide for a variety of amendments to the state Liquor Code. Both are conference committee reports passed by the Senate and House in the waning days of the legislative session.

House Bill 178 will require the Liquor Control Board to obtain the names and addresses of complainants, except when anonymous calls are received about underage drinking. This phase of the bill has been criticized by the LCB which contends that it depends on such calls to investigate Liquor Code violations. The conference report retains the original intent of **HB 178**--it permits collectors to buy, sell or trade miniature bottles of liquor with other registered collectors in Pennsylvania or other states.

House Bill 178 also:

- provides for public hearings on new liquor license applications;
- permits a restaurant, hotel, club or municipal golf course to establish a "secondary service area" on the premises;
- eases limits on "point of sale" advertising (from **SB 786**).
- permits limited wineries to sell wine purchased from another Pennsylvania limited winery (amended into the bill from **HB 2088**). **Senate Bill 1335** authorizes the LCB to:
 - grant a special liquor license to operators of theaters for the performing arts, if the facility is a permanent one with seating for at least 2,800 persons;
 - grant liquor licenses to specified "tourist areas" in the commonwealth;
 - permit beer sales in an Erie sports stadium that is owned by the school district, with sales limited to periods when professional events are being played.

The **HB 178** conference committee report was adopted by the House Nov. 23, 1982, with Senate approval coming the next day. The Senate adopted **SB 1335** on Nov. 23 and House action came the following day.

****Golf Course License** -- provisions of another bill (**HB 178**) also are incorporated into **House Bill 2088**, a conference committee report that was adopted by the House on Nov. 24 and by the Senate on Nov. 30.

House Bill 2088 authorizes privately-owned public golf course restaurant licensees to sell alcoholic beverages on Sundays and on election days if their sales of food and nonalcoholic beverages are equal to 40 percent or more of the combined gross sales of food and alcoholic beverages. These special permits previously were limited to hotel and restaurant, airport restaurant, and municipal golf course restaurant licensees.

A provision in this bill for the designation of a "secondary service area" for certain licensees also is included in **HB 178**, as is one authorizing a Pennsylvania limited winery to sell wine purchased in bulk from another state limited winery.

House Bill 2088 also authorizes the Liquor Control Board to issue special trade show and convention liquor licenses in third class cities.

*****Help for Limited Wineries** -- **House Bill 357** became **Act 119** when signed into law Nov. 5, 1981. The legislation permits "limited" wineries in Pennsylvania to sell their own wines at locations other than the winery itself. A "limited" winery is described as one producing wines from fruits grown in the state not exceeding 100,000 gallons a year. It limits the number of off-premise retail sites to three.

*****Malt Beverage Tax** -- Legislation (**Senate Bill 739**) extending for three years (until Dec. 31, 1986) the tax credits on the malt beverage tax for breweries investing in plant, machinery or equipment was signed into law Nov. 26, 1982, as **Act 202**. When it first cleared the Senate, the bill exempted non-profit nationally-chartered clubs from quota restrictions of the Liquor Code. The House gutted the bill, amending it to include only the tax extension provision.

***Work Permits for Minors** -- Minors 16 years of age and older would have been able to work as entertainers in places where alcoholic beverages are sold had **Senate Bill 1324** become law. The measure passed the Senate in March of 1982 but failed to clear the House Labor Relations Committee.

*****Minors in Licensed Premises** -- Legislation (**House Bill 874**) clearing the way for minors to be in certain licensed establishments without adult supervision was signed into law (**Act 55**) March 9, 1982. the bill requires that the establishment's food service must total 70 percent of the combined gross sale of food and alcoholic beverages.

However, alcohol cannot be served at a table where a minor is seated.

The measure primarily benefits fast food chains having liquor licenses.

Transportation

*****Annual Car Inspections** -- Since 1929, Pennsylvanians have been required by law to have motor vehicles inspected two times a year.

The policy has been scrapped this year in favor of annual inspections for cars, motorcycles, certain vans and small trucks.

The new plan goes into effect Aug. 1, 1982, about nine weeks after **House Bill 562** was signed into law as **Act 129**.

Nearly seven million vehicles are affected by the new law.

Semi-annual inspections will continue for school buses, mass transit vehicles, vans used to transport students and employees, trucks with a gross weight over 17,000 pounds and trailers with a gross weight over 10,000 pounds.

House Bill 562 traveled a rocky road en route to becoming law. From start to finish, opponents claimed annual inspections would result in more "junkers" being on the road and said highway fatalities would increase. The bill's backers rebuffed that argument, saying safety standards would not suffer. They also argued that owners would save \$60 million a year in inspection costs.

The bill wound up in a Republican-dominated conference committee where it was stripped of a Democratic amendment that would have banned auto emission tests which the federal government has ordered implemented in southeastern and southwestern Pennsylvania.

The annual inspection program will be implemented over a period ranging from 12 to 15 months. When finally in place, the inspection system will be tied to vehicle registrations so that inspection and registration renewal will occur in the same month.

The bill places a \$2 fee on inspection stickers, the same amount previously charged for two stickers. PennDOT said it would lose \$7 million a year unless the bill fixed the fee at \$2. Just a few years ago, the fee was 25 cents. It was hiked to \$1 in 1980 when the administration pleaded that PennDOT needed more money.

"V' Turnpike Extension -- On the final day for action (June 25, 1982), the governor vetoed legislation that would have the Pennsylvania Turnpike Commission conduct feasibility studies for extension of the turnpike system primarily in western Pennsylvania.

The governor was quoted as saying he took the action after being advised that the Federal Highway Administration would withhold highway funding for the state. The FHA reportedly said the legislation would violate federal law by establishing tolls on existing highways built with federal aid.

House Bill 1394 had heavy bipartisan support, having cleared the House October 28, 1981, and the Senate on June 8, 1982. The veto of the bill was the governor's second of the legislative session.

The bill would have created the Pennsylvania Turnpike System Southwestern Extensions Act and focused primarily on projects in western Pennsylvania. Amendments to the bill added other projects--one in Bedford County and two in southeastern Pennsylvania.

House Bill 1394 authorized construction of turnpike extensions on seven routes where work has been stalled by lack of funding. These include the North Hills, East Street and Mon Valley Expressway in Allegheny County, Route 219 from the New York to Maryland state lines, Route 220 in Bedford County north to its intersection with Interstate 80, Route 60 in Lawrence and Beaver counties, and Route 40 and Route 857 in Fayette County.

In addition, the legislation authorized feasibility studies to extend the turnpike system into areas of Berks County and to further extend the system to include the Blue Route in southeastern Pennsylvania.

One Senate Democrat said the veto "condemns an entire region to continued economic decline" and recalled that the governor in his 1978 campaign supported the completion of the Route 219 project.

*****Intercity Rail Service** -- **House Bill 1043**, which became **Act 32** on June 16, 1981, assures continuation of commuter rail service in regions of eastern and western Pennsylvania.

The legislation continues state financial aid to assure that rail passenger service will continue between Reading-Norristown; Bethlehem-Lansdale; Pottsville-Reading; and Beaver Falls-Pittsburgh.

Necessary state funding is provided in the bill.

*****Turnpike Emergency Service** -- Improved emergency medical service for Pennsylvania Turnpike travelers is the aim of **Senate Bill 114**. This measure was signed into law December 16, 1981, becoming **Act 133**.

The bill amends legislation establishing the Turnpike Commission and authorizes the commission, in conjunction with the Department of Health, to review and monitor ambulance service available to turnpike travelers.

Objectives include: achieving a 10-minute maximum response time to every location on the turnpike; assuring that every emergency vehicle is manned by at least one medical technician; assuring that such vehicles are properly equipped.

The bill also directs that emergency vehicles be granted immediate entrance or exit from the toll road and that no such vehicle be required to stop at a toll booth.

*****High-Speed Rail Service** -- Development of high-speed rail service to transport passengers from Pittsburgh to Philadelphia in two hours is the intent of **House Bill 305**, which became **Act 144** on December 22, 1981.

The bill creates the High Speed Intercity Rail Passenger Commission, a nine-member panel charged with determining whether a high-speed rail line similar to systems in France and Japan is feasible for Pennsylvania. The commission is funded with an \$850,000 appropriation. Ultimate aim of the bill is to introduce a passenger train capable of operating at speeds of more than 150 miles per hour. Conventional rail service between Philadelphia and Pittsburgh now takes more than seven hours.

*****Special Registration Plates** -- Several amendments to the Vehicle Code are included in **Senate Bill 356** which became law (**Act 82**) on July 10, 1981, most notable of which is a provision authorizing issuance of special registration plates to former prisoners of war.

The bill also identifies "emergency" vehicles that are permitted to be tipped with red and blue flashing lights and authorizes special license plates for so-called "street rods" (modified antique motor vehicles) .

The bill went to conference committee after the Senate non-concurred in House amendments.

*****Traffic Flow Controls** -- A conference committee report on **Senate Bill 16** was adopted by the Senate and House and become **Act 47** on March 7, 1982. The bill authorizes the secretary of the Department of Transportation to regulate the placement of traffic control devices, and curbs, medians or other barriers to control traffic flow on state highways. Permits can be issued by the secretary, or he can delegate this authority to a municipality. An appeal procedure is provided if a municipality refuses to issue a permit.

***Smoking, Drinking Ban** -- **Senate Bill 730**, passed by the Senate on June 7, 1982, died in the House

Urban Affairs Committee.

The bill would prohibit smoking, eating or drinking on Allegheny County Port Authority buses and trolleys and establishes a \$50 fine for violations. Responsibility for enforcing the law is delegated to the Port Authority. Provisions of the bill would not apply to charter buses and trolleys or commuter rail cars which might be specifically designated to permit the activities banned on other vehicles.

*****Limitations on Immunity** -- Legislation (**HB 1385**) amending the Consolidated Statutes with respect to limitations on governmental immunity was signed into law June 10, 1982, as **Act 132**.

It excludes a municipality or an employee from liability for personal injury or property damage incurred by another party because of a dangerous highway condition. There is an exemption to this exclusion -- unless the municipality has contracted with the state to assume responsibility for highway maintenance or repair. A municipality can also be held liable for damage if it has actively undertaken maintenance or repair of a state highway.

*****Authority Abolished** -- **House Bill 794** became **Act 91** when signed by the governor March 30, 1982. It repeals the State Highway and Bridge Authority Act and transfers the duties, powers and functions of the authority to the Department of Transportation.

*****'Beautiful' Plant** -- A bill (**SB 1042**) adopting "Penngift Crownvetch" as the beautification and conservation plant of Pennsylvania became law (**Act 150**) on June 17, 1982.

The legislation recognizes the plant for its value as a livestock feed and ground cover to control erosion. It is used extensively along highways throughout the commonwealth, helping to reduce maintenance costs for mowing and brush and weed control. Penngift Crownvetch is distinguished by a pink and lavender flower. Its name is derived from "Penn" for Pennsylvania and "Gift" for the name of the farmer on whose property it was discovered in 1935.

*****Retirees Get Break** -- Retired persons receiving Social Security or who are on pension will not have to pay the \$24 annual vehicle registration fee as a result of **House Bill 556** being signed into law (**Act 171**) on June 23, 1982. However, eligible senior citizens are limited to an annual income of \$9,000.

PennDOT, however, won't lose any money because the bill authorizes the department to impose a \$10 processing fee in lieu of the full registration fee and further directs that the money lost each year (the difference between the \$24 fee and the processing charge) be appropriated from the Lottery Fund to the Motor License Fund.

Also in **HB 556** are provisions defining a "street rod" (a modified antique motor vehicle), the exemption of certain vehicles from registration (such as those used for golf course maintenance), establishing a \$100 permit fee for migrant farm vehicles, and a requirement that a person's Social Security number appear on every operator's license.

Before the bill was passed, Democrats were successful in stripping a Republican amendment that would have permitted oil companies to deduct the 3.5 percent oil franchise tax in calculating other taxes imposed by the state.

***Children's Safety Seats**--The House failed to take action before the session ended on legislation that would have required the use of a special safety seat for children riding in an automobile or small truck. **Senate Bill 592** had called for use of a chair for youngsters under four and weighing less than 40 pounds. It also would have provided a fine for violations. A House committee deleted the fine and reported the bill to the floor, but it was referred to another committee where it died.

*****Vehicle Code Amendment** --A bill amending the state Vehicle Code was passed by both houses and signed into law prior to the 1981 summer recess. **Senate Bill 346** became **Act 63** on July 1, 1981. It fixes penalties for operating a motor vehicle without a valid license.

A fine of \$200 can be levied upon conviction for a summary offense.

*****Abandonment of State Routes** -- The secretary of PennDOT is authorized to abandon any highway route on the state highway system, or any part of a highway, under **Senate Bill 153** which became **Act 81** on July 10, 1981. There are restrictions, however. The bill says that a municipality where a highway is located must approve of the secretary's action and agree to assume the expense of maintenance. In addition, the measure prohibits PennDOT from implementing any mass turn back of highway routes to municipalities.

*****Evasion of Turnpike Toll** -- The legislature acted this session to set stiffer penalties for persons attempting to evade payment of the full toll on the Pennsylvania Turnpike. **Senate Bill 724** became **Act 86** when signed on July 10, 1981. The bill is intended to crack down on persons who resort to "ticket switching" as a means of evading full payment of tolls. Penalties can be as high as \$300, depending on the type of vehicle being operated. The bill was amended in the House to provide for trucks or truck tractors to have illuminated signs on the cab roof.

***Deregulation Proposed** -- Legislation introduced late in the session calling for deregulation of armored vehicles and those transporting liquid and semi-liquid waste cleared the Senate but never reached the House floor before adjournment. Supporters of **Senate Bill 1390** said the Public Utility Commission favored removing these carriers from regulation under the common carrier and contract carrier codes.

*****Ridesharing Plan** -- Awaiting action by the governor is **House Bill 521**, legislation that would encourage ridesharing arrangements such as carpools and vanpools. The governor has until Dec. 30 to sign it into law. The bill provides that "ridesharing" is the transportation of not more than 15 persons to and from their place of employment or the transportation of persons in a vehicle owned or operated by a public agency or nonprofit organization. It excludes employers from liability for injuries to passengers or others resulting from the operation of a ridesharing vehicle not owned or leased by the employer.

NOTE: **Senate Bill 10**, passed in the 1979-80 session of the General Assembly, provided for increases in truck weights and fees and also required interstate trucks to pass state inspection, either in Pennsylvania or another state. The inspection provision of the bill was challenged in court by several trucking associations. On Nov. 19, 1982, the U. S. Supreme Court let stand an appeals court ruling upholding Pennsylvania's inspection requirement. As 1982 neared an end, the commonwealth had not yet determined when actual enforcement of the inspection provisions would begin.

Banking and Insurance

*****Statewide Banking** -- Legislation whose full impact may not be felt for years to come cleared the House and Senate in the spring of 1982 and was signed into law on March 4 as **Act 44**.

House Bill 1889 will permit banks to eventually open branch offices anywhere in the state, moves prohibited under previous law.

The legislation had the support of several former governors, big banks in the state and the Secretary of the Department of Banking.

All contended the new law will not hurt smaller banks by opening the way for them to be gobbled up by the larger institutions.

Opponents of the bill said community banks, especially those in rural areas, will be the eventual losers, with credit for farmers and small businesses drying up.

House Bill 1889 opens the door for bank holding companies to control a total of four banks--their own and three others--anywhere in the commonwealth in the first four years after the effective date of the legislation. In the following years, banks are permitted to acquire additional banks, but the total is limited to eight.

After eight years, there is no limit on how many banks can be controlled by a single holding company.

Another provision of the bill permits banks to expand into counties not contiguous to the county in which their headquarters are located. This expansion is permitted in the first eight years after the effective date of the legislation.

There are provisions written into the bill to prevent large banks from locating branches in certain small communities of bi-contiguous counties. This expansion is prohibited in the first eight years if the small community is the site of the principal place of business of another institution or national bank.

Previously, banks were permitted to have branch offices only in counties adjacent to counties in which the bank was headquartered. **House Bill 1889** was amended to designate the Jan. 15 birthday of Martin Luther King as a legal bank holiday.

*****Interest Hike for Auto Loans** -- Consumers buying a new or used automobile and financing the purchase through a bank or other lending institution will be paying a higher interest rate.

Senate Bill 1284, which became **Act 160** on June 18, 1982, fixes the new rate at 18 percent on new cars and used cars less than two years old. A 21 percent ceiling is placed on loans for older vehicles.

Backers of the legislation claimed the new and higher rate interest will generate car sales because it will encourage banks to issue more loans. Opponents contended that the consumer will balk at paying higher rates, resulting in fewer sales of new cars at a time when the industry is severely depressed. (Sales from January through May of 1982 were down 13 percent from the same period of 1981.)

Previously, interest rates on new and used cars varied, the amount depending on the type, value and age of the vehicle. The rate generally ranged between 15 and 16 percent.

The House amended the bill in an effort to reduce the number of automobile repossessions. The amendment gives a car owner 21 days to pay a default on the loan. During that period, no repossession can occur.

Higher interest rates on auto loans was one of the provisions of **Senate Bill 409** which passed the Senate in June of 1981, but which was stalled in the House. **Senate Bill 409** also provided for an increase in finance charges on retail credit purchases--a hike eventually approved in **Senate Bill 306** which became law in March of 1982.

*****Retail Credit Interest Up** -- **Senate Bill 306**, which became **Act 68** on March 25, 1982, increases the allowable interest rate on retail credit purchases from 15 percent to 18 percent. The legislation covers retail sales and credit card purchases.

Supporters of the legislation said retailers were losing money when limited to a finance charge or interest charge (15 percent) that was lower than the prime rate. Opponents said the increase would price consumers out of the retail credit market.

For the most part, retailers and banks have taken advantage of the bill's provisions and now are charging the 18 percent rate. **Senate Bill 306** also contains installment sales contract reforms aimed at protecting the consumer. A sunset provision in the bill means that it will be revoked in three years unless reenacted by the General Assembly.

*****Insurance Policy Loan Interest** -- Legislation removing the 8 percent ceiling on life insurance loans was signed into law-April 8, 1982, as **Act 84**. The bill does not affect policies in force before- the new law became effective. The bill provides for an adjustable interest rate tied to the yield on corporate bonds. The change in the law was considered after insurance companies complained that the 8 percent cap was too low and was responsible for reduced earnings and higher insurance costs.

*****Insurance Policy Limitations** -- **House Bill 61** was signed into law June 19, 1981, becoming **Act 33**. It prohibits a mutual insurance company from writing assessable bodily injury and property damage liability policies on any automobile or motor vehicle. This type of policy is one under which an insurance firm could, at the end of a policy period, assess the policyholder an additional premium to recover a portion of the company's losses incurred for bodily injury and property loss.

***Chiropractic Care** -- The House failed to take any action on **Senate Bill 197** which would authorize chiropractic care as an allowable expense for auto insurance for a victim of an automobile mishap. The Senate passed the bill June 8, 1981. The measure would amend the Pennsylvania No-Fault Motor Vehicle Insurance Act.

*****Savings and Loan Associations** -- **House Bill 210** gives state chartered savings and loan associations the authority to conduct their business on an equal basis with S & L's chartered by the federal government.

This bill was signed by the governor on June 5, 1981, becoming **Act 28**.

Under the Savings Associations Code, the business activities of savings and loan associations had been somewhat restricted. **House Bill 210** gives the institutions the authority to issue credit cards, extend credit in connection with these cards, engage in trust and other judiciary activities, issue mutual capital certificates and charge the same rates of interest on consumer and credit loans as do other lenders.

In addition, savings and loan associations can now offer what is known as a "traveler's convenience withdrawal" option so that an account holder may, when 50 miles or more from his principal residence, make a withdrawal from a savings account at the office of any institution whose accounts are insured by the Federal Savings and Loan Insurance Corp. or the Pennsylvania Savings Association Insurance Corp. A savings and loan also is permitted to cash the check of a senior citizen.

Amended into this bill was a provision that prohibits savings and loan associations from issuing what is known as a "balloon" loan for financing an owner-occupied one or two-family dwelling. Also prohibited is a mortgage loan where payment can be accelerated at the option of the lender. The bill also provides for a uniform disclosure notice, directing a mortgage lender to provide a consumer proper notice in the event of a mortgage foreclosure.

*****Second Mortgage Interest Rates** -- Legislation (**House Bill 2036**) increasing the maximum annual interest rate on second mortgages was signed into law April 8, 1982, as **Act 83**. Affected by the bill are homeowners who borrow against the equity they have in their homes.

House Bill 2036 amends the Secondary Mortgage Loan Act, allowing an increase in the interest rate of up to 1.85 percent per month. Lenders claimed the former 17.4 percent cap on such loans was inadequate and had, in fact, prompted a number of firms to cease granting second mortgage loans.

*****Changes in Banking Code** -- Extensive amendments to the Banking Code of 1965 are provided for in **House Bill 1739**. This measure was signed by the governor on April 8, 1982, becoming **Act 79**.

The bill clears the way for mutual savings banks to become stock savings banks and relieves state-chartered banks from having to maintain "double reserves"--exempting from state reserve requirements those institutions which have to maintain reserve requirements with the Federal Reserve Board. In addition, the measure permits a restricted number of trustees of a savings bank to serve as directors of trust companies.

***Interest Rate Boost** -- The House Business and Commerce Committee took no action on legislation that would enable fraternal benefit societies to increase the interest rate on policy loans from six percent to eight percent. The Senate passed Senate Bill 1024 on March 29, 1982.

*****Savings & Loan Branches** -- Legislation (**HB 2074**) granting state-chartered savings and loan associations the right to branch out across the commonwealth became **Act 94** on April 9, 1982. Aim of the bill is

to stir new competition in the financial community and enable state-chartered groups to compete on a more equal basis with federally chartered savings and loan groups. Similar legislation (**House Bill 1889**) allowing banks to open branches anywhere in the state became law earlier in 1982.

*****House Bill 106** became **Act 52** when signed into law July 1, 1981. It amends the Department of Banking Code of 1933 by abolishing the Building and Loan Board and the Banking Board. These boards had not met for several years and had numerous vacancies. The House had passed this measure on March 17, 1981; Senate passage came on June 23, 1981.

*****Blue Shield Reimbursement**--Legislation authorizing Blue Shield to directly reimburse an "independent clinical laboratory for services performed for a subscriber was signed into law Nov. 17, 1982, becoming **Act 193**. **Senate Bill 1185** had passed the Senate March 3, 1982, and cleared the House Sept. 20. Previously, Blue Shield was permitted to make payments only to a participating physician, or to the subscriber, who then had to reimburse the laboratory.

*****Insurance Coverage -- House Bill 1850** was signed into law March 7, 1982, as **Act 53**. It will permit volunteer fire companies to use money from the 2 percent tax on foreign fire insurance companies to purchase certain types of insurance. Previously, volunteer units had no authority to use the funds for the purchase of liability insurance.

*****Policy Examination -- Senate Bill 608** became **Act 116** when signed into law Nov. 5, 1981. The bill amends the Insurance Department Act by providing that after Jan. 1, 1982, all individual life insurance policies, annuities or pure endowment contracts, and industrial life and industrial endowment policies must contain a printed notice advising the policyholder that he or she has at least 10 days in which to examine the policy. There is to be a premium refund if the policyholder is not satisfied and returns the policy to the company within 10 days. Variable annuity contracts to policies also are covered in the legislation.

*****Securities Agents' Registration -- Senate Bill 167** was the first bill signed into law in the current session of the legislature, becoming **Act 1** on March 25, 1981.

The bill changes from two years to one year the registration period for securities agents in the commonwealth, paving the way for the Pennsylvania Securities Commission to streamline its operations by entering the Central Registration Depository. This is the central licensing and information center for the country's active broker-dealers.

The change in registration time will enable the computer to accept information from Pennsylvania.

*****Mutual Savings Banks** - State-chartered mutual savings banks now have parity with those chartered by the federal government as a result of **House Bill 89** being signed into law. The measure passed the House March 3, 1981, and cleared the Senate on April 7. It became **Act 4** on April 16, 1981.

There are nine state-chartered mutual savings banks and they now are able to offer unsecured customer loans and trust services, make commercial loans for periods of 10 years or less, and invest in service corporations.

*****Consumer Loan Interest Hiked -- House Bill 2386**, which became **Act 249** on Dec. 9, 1982, provides for persons borrowing from consumer discount companies to pay higher interest and service charges.

Amending the Consumer Discount Company Act, the measure permits a lending firm to increase its maximum service charge from \$15 to \$100.

It also provides for interest to be charged at the rate of \$9.50 per \$100 per year for 48 months. Anything beyond that period of time is charged at the lower rate of \$6 per \$100 per year. The maximum loan a consumer discount company may grant remains the same--\$5,000.

*****Arson Fraud Controls -- House Bill 2264**, signed into law Dec. 7, as **Act 228**, provides for a two-

tiered fire insurance application process aimed at controlling arson fraud. The bill passed the House April 28, 1982, and cleared the Senate on Nov. 23. It creates the Anti-Arson Application Law, legislation requiring insurance companies to secure an "anti-arson application" from "questionable" applicants. An insurer issuing a policy without securing the application could be fined up to \$10,000. **House Bill 2264** is a companion bill to **HB 2263** which increases penalties for arson, including an "arson murder" category mandating life imprisonment without parole for anyone convicted of setting a fire in which there is a fatality.

*****Interest Rate Change** -- State-chartered credit unions are given increased powers in **Senate Bill 314**, which the governor has until Dec. 30 to sign. The bill authorizes credit unions to increase the interest rate on loans to 15 percent, although authority to impose the ~ higher rate is granted only if two-thirds of the credit union's directors approve.

The lending authority of a credit union also is expanded in the measure. For example, they may grant a mortgage loan in an amount not exceeding 90 percent of the fair market value of a property (the previous maximum was \$35,000).

****Bank Credit Cards** -- Pennsylvania banks will be able to / charge credit card holders up to \$15 a year if **House Bill 103** is signed into law. The measure is on the governor's desk and he has until Dec. 30 to sign it.

The fee for revolving credit plans was inserted into a conference committee report on the bill which originally provided for state-chartered commercial banks to issue renegotiable rate mortgage loans. (this provision was deleted from the bill.)

The \$15 per credit card annual fee is in addition to the 18 percent interest rate that lenders are now permitted to charge. The rate was increased from 15 percent to the present level in **Senate Bill 306** which became law earlier in 1982. **House Bill 103** also abolishes the Banking Board which had not met for several years.

*****Medicare Policies** -- Senate and House passage of **Senate Bill 711** sent the measure to the governor's desk for his signature. The bill--the Medicare Supplement Insurance Act--brings Pennsylvania into compliance with minimum standards for Medicare supplement policies and is to take effect July 1, 1983. Only group Medicare supplement insurance policies are covered. The governor has until Dec. 30 to sign the bill.

*****Aid to Small Businesses** -- **House Bill 2333** was signed into law Dec. 13, 1982, as **Act 266**. This measure sets up a procedure whereby small businesses may collect interest payments from commonwealth agencies that are late in paying bills for contracted goods and services. Interest would be computed at the same rate used on overdue taxes.

Judiciary

*****Stiff Penalties for Drunk Drivers** -- The General Assembly passed and Governor Thornburgh signed a far-reaching legislative proposal (**HB 2533**) to crack down on drunk drivers.

Key elements of the legislation include mandatory jail sentences, stiff fines, and automatic suspension of drivers' licenses for convicted offenders.

Persons convicted of drunken driving would face mandatory minimum jail sentences of 48 hours for a first offense, 30 days for a second offense, 90 days for a third offense, and one year for a fourth offense.

In addition to the mandatory minimums, a convicted drunk driver even on a first offense - could be sentenced to up to two years in jail and be fined \$5,000.

Also, all convicted drunk drivers - including juveniles - when automatically have their drivers' licenses suspended for at least one year, would face a mandatory minimum fine of \$300, and would be required to attend an alcohol highway safety school.

The measure provides, however, that on a first offense an arrested driver could avoid conviction, jail, and fines if no serious accident has occurred and the offender agrees and has been accepted into an ARD (Accelerated Rehabilitative Disposition) program.

The legislation creates a new crime known as Homicide While Driving Under the Influence. Under this provision, it is a felony of the third degree if someone is killed by a drunk driver. The offender would face a mandatory minimum jail term of three years and could be sentenced to a maximum seven years in jail coupled with a \$15,000 fine.

Another seldom mentioned provision of the new legislation would specifically prohibit drinking while driving in Pennsylvania.

Under current law, it is illegal to operate a motor vehicle while under the influence of alcohol or controlled substances, but not illegal to drink an alcoholic beverage if not intoxicated. This proposal bans drinking while driving and makes it a summary offense.

Also, this legislation provides that a person with a blood alcohol content of .10 or more at the time of his arrest is "per se" automatically guilty of drunken driving in Pennsylvania.

Previously, a defendant with a .10 alcohol content had the ability (a rebuttal presumption) to argue in court that he was not drunk. The new legislation concludes a person is drunk with a .10 blood alcohol content.

*****Abortion Control** -- Controversial abortion control legislation (**SB 439**) was enacted (**Act 138**) but implementation was delayed near the end of 1982 by court challenges.

The legislation was a somewhat modified version of a previous proposal (**SB 742**) that had been vetoed by the governor.

Intended by its sponsors to reduce the number of so-called "convenience abortions", the legislation's key provisions would:

- require a 24-hour waiting period before an abortion could be performed except in instances where the mother's life is in danger;
- require a women's "informed consent", certified in writing, that a woman seeking an abortion has (at least 24 hours before an abortion) received counseling by her physician on the abortion procedure and any particular risks, and has had the opportunity to review printed materials that, among other things, explain the characteristics of the fetus and outline alternatives to abortion;
- require that pregnant women under the age of 18 have the consent of one of their parents or guardians in order to have an abortion (However, if such parental consent is refused or if the minor elects not to seek parental consent, the pregnant woman under the age of 18 could still obtain an abortion if common pleas court - after a hearing - determines that the pregnant woman is "mature and capable" of making the decision on her own) ;
- prohibit coverage for abortion in state health plans, except in cases of rape, incest, or where the mother's life is in danger;
- prohibit the use of public funds or public facilities for abortions, except in cases of rape, incest, or where the mother's life is in danger;
- require all insurance companies to make available health care and disability insurance policies in Pennsylvania which include the express exclusion of coverage for abortion and require lower premiums "than that which is contained in policies offering additional abortion coverage";
- require that all abortions performed subsequent to the first 12 weeks of pregnancy be performed in hospitals;
- prohibit abortions when it is determined that an unborn child is viable (capable of surviving outside the mother, with or without artificial support), except in instances to preserve maternal health or life. (Any person who "intentionally, knowingly or recklessly" performs an abortion when the "fetus is viable" would be guilty of a felony of the third degree which is punishable by a jail term of up to seven years and/or a \$15,000 fine);
- require the attendance of a second physician (in instances where it's possible an unborn child might survive an abortion procedure) to provide immediate medical care to support the life of the child;

- require various reports to the state Department of Health concerning laboratory testing of tissue removed during abortion procedures and relating to whether or not a fetus was viable at the time of an abortion;
- require reporting concerning "in vitro fertilization" which is the purposeful fertilization of a human ovum outside the body of a female; and
- prohibit non-therapeutic experimentation upon any unborn child.

Additionally, **Act 138** contains other provisions relating to criminal history record information and fingerprinting as well as language inserted by the House to prohibit paramilitary training in Pennsylvania. The legislative ban on paramilitary training is intended to prevent neo-Nazi or Ku Klux Klan training with firearms, explosives or incendiary devices. Similar prohibitions against paramilitary training have been enacted in the states of New York, Connecticut, North Carolina, Florida and California.

*****Mandatory Sentences** -- A bill (**SB 1081**) providing for mandatory jail sentences of at least five years for repeat offenders of violent crime cleared both the Senate and House and is now law (**Act 54**).

The new law also stipulates a minimum mandatory jail sentence of five years for first time offenders of violent crimes committed on or near public transportation, or committed with the use of a firearm.

****Crimes Against the Elderly/Young** -- Both the Senate and House adopted a conference committee report on legislation (**SB 1151**) providing for mandatory minimum jail sentences for crimes committed against the young and the elderly.

Specifically, the mandatory sentences would apply to persons convicted of committing aggravated assault, rape, deviate sexual intercourse, and fraud (theft by deception) against persons over 60 or under 16 years of age.

While a judge could impose harsher sentences, the legislation mandates a minimum jail term of at least two years for aggravated assault, at least five years for rape, at least five years for involuntary deviate sexual intercourse, and one year for theft by deception.

The jail term for theft by deception (which only applies when the victim is an elderly individual) could be reduced in court.

*****Arson Penalties** -- Legislation (**HB 2263**) stiffening the criminal penalties for arson in Pennsylvania won unanimous approval in the Senate and House.

The legislation provides that intentional burning of a residential or other inhabited structure will be considered a felony of the first degree (punishable by a jail term of up to 10 years or more and/or a fine of up to \$25,000).

Persons found guilty of setting a fire that results in death will be guilty of murder and will face no less than life imprisonment without parole.

Additionally, persons who hire or aid an arsonist will be considered guilty of actually committing the crime itself.

The legislation also creates several new offenses including "reckless burning or exploding" which would be a felony of the third degree, "failure to control or report dangerous fires" which would be a misdemeanor of the first degree, and "possession of explosive or incendiary material or devices" which would be a felony of the third degree.

*****Guilty But Mentally Ill** -- A Senate-House conference report on legislation (**SB 171**) that would create a new trial verdict of "guilty but mentally ill" was adopted 46-0 by the Senate and 138-51 by the House, and signed into law.

The legislation provides that a person who offers insanity as a defense in criminal proceeding could be

found "guilty but mentally ill."

Previously, such an individual who offered insanity as a defense could either be found guilty (the insanity defense rejected) or not guilty by reason of insanity (the insanity defense accepted).

The new "guilty but mentally ill" finding would mean that convicted defendants in that category could be sentenced to the same jail term as any other defendant. A portion of such a sentence might include confinement at a mental institution. However, following release from such a mental institution, the convicted defendant would serve the remaining time of his sentence in jail.

Up to this point, a person found not guilty by reason of insanity could be released after a relatively short period of confinement at a mental institution - though he may have confessed to committing a crime, however serious.

The "guilty but mentally ill" proposal also shifts the burden of proof to the defendant who offers insanity as a defense. The defendant would have to prove that he was insane at the time of a crime.

Up until now, the burden of proof has rested with the prosecution to prove that a defendant was sane at the time of a crime.

****Determination of Death** -- Legislation (**SB 1092**) providing for a statutory "determination of death" cleared both houses of the General Assembly.

Specifically, the legislation provides for a definition of death in cases where physicians have determined that a patient's "entire brain, including the stem" has ceased to function, but the body is being kept alive by machines.

It is designed to protect doctors who "pull the plug" on machines of patients who are determined totally brain dead. Proponents of the legislation contended it was necessary for legal reasons and to facilitate organ transplants.

*****More Time To Prosecute** -- A bill (**SB 563**) extending the statute of limitations for the prosecution of a series of offenses from two to five years has been enacted (**Act 122**).

The crimes covered by the new 5-year statute of limitations include certain violent offenses, crimes related to official corruption and organized criminal activity, and drug offenses.

*****Ethnic Intimidation: Institutional Vandalism** -- Legislation (**HB 1806**) making "ethnic intimidation" and "institutional vandalism" specific crimes in Pennsylvania was signed into law (**Act 154**).

Certain existing crimes will become "ethnic intimidation" when committed with malicious intention toward the race, color, religion, or national origin of a victim. Penalties for such existing crimes would then be increased by a degree when "ethnic intimidation" has been determined.

The "institutional vandalism" provisions of the law provide stiffened penalties for anyone who desecrates, vandalizes, defaces or otherwise damages churches, synagogues, or other places of worship; or cemeteries, mortuaries or other facilities used for the purpose of burial or memorializing the dead; and schools, educational facilities or community centers.

*****Library Theft** -- A measure (**HB 671**) designed to crack down on library and museum theft has been enacted (**Act 95**).

Library theft is now a specific crime.

First time offenders found guilty of stealing library or museum materials valued at less than \$150 now face a maximum penalty of 90 days in jail and/or a \$300 fine. Second time offenders found guilty of stealing library or

museum materials valued at less than \$150 face a maximum penalty of two years in jail and/or a \$5,000 fine. First or second offenders found guilty of stealing library or museum materials valued at more than \$150 face a maximum penalty of five years in jail and/or a \$10,000 fine. Third and subsequent offenders of the library theft statute - no matter what the value of the material stolen - face a maximum penalty of seven years in jail and/or a \$15,000 fine.

The new law also provides for fingerprinting of suspects and requires that its provisions be publicly displayed in all libraries.

*****Adoption** -- The General Assembly has passed (**HB 1789**) and the governor has signed (**Act 174**) a measure designed to help expedite adoption procedures in Pennsylvania.

Among other things, the new law allows adoptive parents to obtain a court order making the adoption final 40 days after they get custody of the child they are seeking to adopt. Previously, adoptive parents had to wait six months.

Additionally, the new law requires that:

--the natural and adoptive parents are informed of their legal rights; and

--hospitals furnish a list of counselors to mothers who are considering placing their babies for adoption.

*****Help For Rape Victims** -- A measure (**SB 79**) imposing an additional \$10 fee on every convicted criminal in Pennsylvania to help fund rape crisis centers and domestic violence shelters has been enacted (**Act 157**).

The new law also authorizes a \$1.5 million appropriation in state aid to rape crisis centers and domestic violence shelters in fiscal 1982-83.

*****Statewide Police Authority** -- Both the Senate and House adopted a conference committee report on legislation (**SB 942**), signed by the governor (**Act 141**), that would give municipal police officers "statewide police authority" when they are outside of their municipal jurisdiction under certain conditions - most notably, when they have witnessed or have reason to believe a crime has been committed which represents a clear and present danger to persons or property.

The measure also extends the statute of limitations for the prosecution of certain traffic offenses from 15 to 30 days and places a \$100 limit on the annual registration fee for district justices to belong to the Special Court Judges Association.

*****Confidential Conversations** -- Both the Senate and House have approved and the governor has signed as **Act 169** a legislative conference committee report on a measure (**SB 532**) designed to protect the confidentiality of conversations between sexual assault victims and counselors at rape crisis centers.

The final version of the legislation provides that the confidentiality of such conversations between a rape victim and her counselor will be an "absolute" privilege similar to the confidentiality of conversations between lawyers and clients; doctors and patients.

A companion measure (**SB 529**) dealing with conversations between spouse and child abuse victims and counselors at domestic violence shelters cleared the Senate but still faces final action in the House.

*****Shared Custody** -- A legislative proposal (**SB 124**) designed to encourage Judges to award "shared custody" of children after divorce by their parents has passed the General Assembly and into law (**Act 115**). has been signed

The new law grants judges the specific authority to make a "shared custody" award when it is determined to be in the best interests of the child or children. If both parents seek an award of "shared custody," and the court denies the request, the judge is required to state his reasons for denial on the record.

The legislation also provides that when the court awards custody to only one parent, the judge - in making the decision - must consider which parent is more likely to allow frequent and continuing contact between the non-custodial parent and the child or children.

Additionally, the legislation stipulates that records and information pertaining to a child - including the address, and medical, dental, school, and religious records - cannot be denied to the non-custodial parent.

Amendments added to the bill prior to final passage provided for custody counseling for parents and visitation rights for grandparents.

The legislation was viewed as a follow-up to last session's enactment of divorce reform. The intent of "shared custody" is to recognize that even though two parents may be divorced from one another, that does not mean that either one should be "divorced" from their children.

*****Child Support** -- Both chambers have approved (**HB 696**) and the governor has signed into law (**Act 173**) a measure making it a summary offense to willfully fail to comply with a Pennsylvania court order of child support.

A summary offense is punishable by a fine of up to \$300 and/or imprisonment of up to 90 days.

****Suppressed Voluntary Confessions** -- The General Assembly has passed a proposed constitutional amendment (**SB 496**) which would permit the use of suppressed voluntary admissions or confessions to impeach a defendant's credibility at his court trial.

Presently, if a citizen's rights are violated at the time of his arrest by law enforcement authorities, evidence obtained - such as a confession - at the time and as a result of the violation of the citizen's rights, is to be suppressed and not entered into evidence at his trial.

This measure, however, would allow the prosecution at the defendant's trial to use the suppressed confession - if it was voluntary - to attempt to impeach the defendant's credibility if the defendant takes the stand (which he does not have to do) in his own defense.

Before it can be submitted to the voters for final approval, the proposal must be passed again in the next legislative session.

*****Juvenile Offender Info** -- A bill (**SB 41**) providing for further public disclosure of information on "hard core" juvenile offenders passed the General Assembly and was signed into law (**Act 41**) by the governor.

Previously, only the name and the "nature of conduct" of a juvenile adjudged delinquent for rape, kidnapping, murder, robbery, arson, burglary or bodily harm could be revealed if the juvenile was over the age of 14.

Under the new law, such information to be disclosed will include not only the name of the individual, but the address, age, the offenses charged and the disposition of the case.

*****One Man/One Cell Repeal** -- The General Assembly passed and the governor signed into law a bill (**HB 644, Act 68**) that repeals a 10-year old state law which required county prisons in separate cells. to house inmates

*****Limited Subpoena Powers** -- The General Assembly has passed and the governor has signed into law a measure (**SB 814**) granting limited subpoena powers to the Pennsylvania Higher Education Assistance Agency for the purpose of investigating student loan fraud.

The measure would have imposed limitations on lawsuits that individuals could bring against manufacturers or sellers of defective products.

***Negotiated Sentences** -- The Senate passed a bill (**SB 128**) to prohibit negotiated sentences for persons convicted of murder, voluntary manslaughter, aggravated assault, kidnapping, rape, involuntary deviate sexual intercourse and robbery.

The measure died in the House.

***Appeals** - The Senate passed a bill (**SB 557**) that would have required district justices to inform parties of their right to appeal.

Action by the House never materialized.

***Child Representation** -- Final House action never came on a Senate passed proposal (**SB 455**) to remove a mandatory requirement that a judge appoint a counsel to represent a child in involuntary termination proceedings. The measure would have left the appointment of counsel for children in such cases to the discretion of the court.

Additionally, the bill would have prohibited an attorney from representing both the child and adopting parents.

***Subpoena Enforcement** -- The Senate passed a bill (**SB 995**) further providing for the enforcement of subpoenas issued by the Pennsylvania Crime Commission. It died in the House.

***Sentencing Guidelines Endorsed** -- Sentencing guidelines promulgated by the Pennsylvania Sentencing Commission became effective during the summer of 1982. The final version of the guidelines, which were expected to have the effect of increasing the average minimum criminal sentence by 49 percent statewide, was endorsed by the Senate in the adoption of a resolution (**SR 227**).

The guidelines for the state's judiciary are not mandatory, but are to be considered by all judges in handing down criminal sentences.

They were designed to eliminate sentencing disparity from one county to another.

*****Civil Immunity/Hazardous Substance Clean Up** -- Legislation (**HB 50**) granting civil immunity to companies involved in cleaning up hazardous substance spills of other companies cleared the General Assembly and was signed into law (**Act 220**).

The legislation is intended to encourage a cooperative arrangement between companies that transport hazardous materials that if there is a spill or release the companies would assist one another in clean up operations on a voluntary basis.

*****Civil Immunity/Veterinarians** -- Legislation (**HB 1458**) sent to the governor's desk provides immunity from civil liability to veterinarians who provide emergency care to animals at the scene of accidents.

The measure was amended to also include a proposal broadening the civil jurisdiction of district justices and establishing new filing fees for most civil and criminal actions.

*****District Justice Fees** -- The General Assembly has passed (**SB 179**) and the governor has signed (**Act 72**) a proposal that provides for the state's payment of annual registration fees for district justices in the Special Court judges of Pennsylvania Association and for the printing of a monthly journal to district justices informing them of revisions in laws and state Supreme Court rules changes.

Funding would be derived from an annual appropriation made to district justices.

*****Eminent Domain** -- Legislation (**HB 1284**) repealing a previous statutory requirement that certain condemned property be offered for resale to original owners has been enacted (**Act 104**).

The city of Philadelphia had contended that various development projects in the city would be threatened by the requirement.

*****Guide Dogs** -- A measure (**HB 1814**) prohibiting discrimination against a deaf person who uses a guide dog has been enacted (**Act 121**).

The new law provides the same guarantees accorded a blind person with a guide dog by making it a summary offense to deny access or use of any public facility to a deaf person accompanied by a guide dog.

*****Probate, Estates And Fiduciaries** -- An omnibus bill (**SB 635**) amending 28 sections, repealing 7, and adding 13 to the Probate, Estates and Fiduciaries Code is now law (**Act 26**).

Substantive changes in the code relate to the payment of insurance policies, the apportionment of death taxes, gifts to minors, powers of attorney, and the termination of trusts.

*****Commission Continues** -- Legislation (**SB 795**) extending the life of the Pennsylvania Commission on Crime and Delinquency until December 31, 1985 was enacted (**Act 134**). The legislation also provided for some changes in the composition and duties of the commission.

Consumer Protection and Professional Licensure

****Anti-CWIP** -- Legislation (**SB 1366**) to prohibit electric utility companies in Pennsylvania from including Construction Work in Progress (CWIP) in customer rates until the facility is completed and providing actual service to customers passed the legislature and awaits final action by the governor.

Excluded from the prohibition are costs related to the improvement of environmental conditions of existing facilities, an improvement of safety at existing facilities, or costs required to convert facilities to the utilization of coal.

The legislation was sparked by an attempt by at least one electric utility to include so-called CWIP charges in customer rates.

Proponents of the legislation contended that including such CWIP costs in rates would be grossly unfair - especially to older Pennsylvanians who might not live to use the power from the plants they helped finance.

***Amusement Ride Inspection** -- The Senate passed a bill (**SB 1315**) that would have required annual safety inspection of rides at amusement parks throughout the state.

The legislation never received final consideration in the House.

*****Dental Student Prohibition** -- A bill (**HB 2066**) barring third year dental students from being licensed as dental hygienists cleared the General Assembly. It was signed into law as **Act 208**.

*****Barber; Cosmetology Exams** -- A two-bill package (**SB 1119, 1120**) that would make it easier for barbers to also become cosmetologists and cosmetologists to also become barbers was enacted (**Act 190, 191**).

Under the legislation, 555 hour credits will be extended to registered barbers who wish to take the cosmetology examination and to cosmetologists who wish to take the barber exam.

***Auctioneer Licensing** -- A legislative proposal (**SB 1234**) providing for the licensing of auctioneers, auction houses and auction companies passed the Senate, but died in the House.

***Precious Metals** -- In an effort to make it more difficult for precious metal thieves to fence stolen coins, jewelry and other items of gold and silver, the Senate passed (47-0) a bill (**SB 116**) which would have imposed a

series of requirements on businesses that purchase precious metals

The legislation died in the House.

***Philadelphia Cabs** -- A bill (**SB 913**) mandating that the state Public Utility Commission grant the city of Philadelphia unlimited taxi cab certificates of public convenience passed the Senate (28-19) but died in the House.

*****Landscape Architecture** -- Legislation (**SB 1057**) further providing for the regulation of landscape architects cleared the General Assembly and was signed into law (**Act 151**) .

The bill modifies previous qualification guidelines for landscape architect applicants and alters penalties for violations of the law.

Additionally, all regulations promulgated by the state Board of Landscape Architects must now be submitted to the General Assembly for review. The legislature is given the ability to overturn any regulation within 60 days of its receipt.

*****Occupational Therapy** -- The General Assembly has passed a bill (**SB 600**) establishing standards for the licensure and regulation of occupational therapy in Pennsylvania.

The measure, which creates a state Board of Occupational Therapy Education and Licensure, was signed into law as **Act 140**.

*****Cemetery Registration** -- The General Assembly has passed legislation (**HB 125, HB 1218**) requiring the registration of cemetery companies with the state Real Estate Commission.

The measures, signed into law as **Act 48** and **Act 50**, provide for a registration or license fee of \$25 and penalties for operating cemetery companies without such registration. Registration would not apply to cemeteries owned or controlled by a church, religious congregation or fraternal association.

*****Pilotage Rates** -- **Senate Bill 164 (Act 2)** provided for an increase in pilotage rates for vessels coming on the Delaware River.

The fee per unit charge was to be increased from \$1.95 to \$2.25 retroactive to January 1, 1981. An additional charge of 30 cents per unit was to be added on January 1, 1982, with another increase of 30 cents per unit effective January 1, 1983.

The rates are collected from the vessels' charters and there is no cost to the state.

Education

****PHEAA Student Loan Bonds** -- Under **HB 1578**, the Pennsylvania Higher Education Assistance Agency will be able to sell tax exempt bonds to finance student loans. The program is designed to make up massive cuts in federal student aid.

Because interest rates on PHEAA's tax-exempt bonds should be below general market rates, PHEAA can charge a reduced rate on its education loans. The agency will be able to loan money directly to students or to their parents, in certain circumstances. Alternatively, PHEAA could channel funds through colleges or lending institutions which would make loans to students.

Loans would be available. to college and graduate students as well as health professions students, like medical students.

Because the commonwealth would not pledge its full faith and credit to back the bonds, no state funds would be used to repay them.

The difference between the bond interest rate and interest charges on student loans would pay PHEAA's costs.

House Bill 1578 also removes the limit on state institutional grants to colleges which accept students with PHEAA grants. In addition, PHEAA would gain authority to garnish wages of state employees who default on state guaranteed students loans.

The loan program provisions originally were proposed in **Senate Bill 1330**, which died in the House Appropriations Committee. **House Bill 1578** is before the governor.

*****State System of Higher Education** -- A new State System of Higher Education will now govern Pennsylvania's 13 state colleges and Indiana University. **Senate Bill 506** created this new system which will be independent of the Education Department and the governor. It will be controlled by a board of governors and administered by a chancellor.

Trustees at each institution will review policy decisions and standards, approve the local budget, set charges, and make recommendations on the appointment and retention of the president.

The system board will consist of 16 members: the governor, secretary of education, and 14 members appointed by the governor, including three students and five trustees from member institutions. Funds for central system expenses are limited to 0.5 percent of the combined operating funds of all member institutions.

The governor signed **SB 506** into law as **Act 188** on Nov. 12, 1982.

*****School Subsidy Change** -- A new formula for distributing the state's basic instruction subsidy was enacted by the legislature in 1982.

The new distribution method consists of the old formula fixed at the 1981-82 level. Second, whenever the state budget appropriates more than the \$1.55 billion required to fund 1981-82 subsidy amounts, a new formula is used to distribute additional money.

Essentially, this revised formula, called the Equalized Supplement for Student Learning, is the old formula excluding factors for population density and poverty in a school district. This change will reduce Philadelphia's share of subsidy funds and increase the proportional share going to other districts. This new formula was inserted into **House Bill 517** to replace the governor's unpopular education block grant proposal.

Vocational education funds will be distributed to school districts based on the number of students in vocational programs and a district's aid ratio, an indication of its wealth. A weighting factor will differentiate between students in district-operated programs and those attending area vocational technical schools.

Payments for vocational funds, basic instruction subsidies, and equalization money will be sent to districts in six payments per year beginning each July. In the past, vocational education funds were distributed twice a year and subsidy money three times each year.

The governor ignored **House Bill 517** on May 11, 1982 making it **Act 115**.

****Higher Education Facilities Authority** -- **House Bill 1277** allows the Pennsylvania Higher Education Facilities Authority to use state appropriations to a college to make a loan payment when the college defaults. The bill is before the governor.

****School Building Authority** -- The Public School Building Authority will be able to refinance a project constructed with funds from another source, to hold private bond sales, and to use the "present worth method" of determining interest costs of a bond issue instead of the "net interest cost method" in order to reduce financing

costs.

House Bill 1276 is before the governor.

****Multiple School Code Changes** -- Among various School Code changes in **House Bill 1349**: school directors will be elected in groups of five and four instead of current groups of six and three as a result of the previous shortening of their terms from six to four years; when programs for certain exceptional students are transferred from private to public schools, an appropriate transfer is authorized in the state education budget; state colleges once again are required to submit annual reports to the governor and General Assembly; and districts and intermediate units can contract with private day treatment centers to educate delinquent and dependent students.

House Bill 1349 is before the governor.

*****Special Aid for Lost Tax Revenue** -- School districts which lose at least 15 percent of their local tax revenue will qualify for special temporary state aid under **SB 847**. The state will make up 50 percent of lost revenue the first year and 25 percent the second. By the third year, the regular state subsidy would correct the problem.

At least five districts face huge revenue losses because large industrial plants won lower property tax assessments from county courts. Funding for the aid will come from unused school subsidy funds.

The governor signed the measure June 25, 1982 making it **Act 182**.

*****Student Loan Collections** -- **Senate Bill 1094** created a tighter administrative loan collection process for student loans. It will allow the Pennsylvania Higher Education Assistance Agency to pursue student loan defaulters. The bill suspends the statute of limitations as it applies to student loans and allows PHEAA to garnish up to 10 percent of a defaulter's income after court judgment. The bill became **Act 102** on April 29, 1982.

*****School Employee Residency Requirements Prohibited** -- No school districts, except Philadelphia and Pittsburgh, can require employees to live within the district under **HB 187**. In those two cities, only new employees would be subject to residency requirements. The bill became **Act 36** on June 25, 1981.

*****Hold Harmless Extended** -- Hold harmless provisions for basic instruction subsidies to school districts were extended for an additional two years by **SB 269**. The bill provided that no school district could receive less state subsidy for fiscal years 1981-82 and 1982-83 than it received in 1978-79.

Hold harmless provisions are necessary because of changes in various factors used in the subsidy formula (such as student population) and because of under funding of the subsidy. Some districts would lose dollars so that others would gain. If the subsidy would be fully funded by the governor, most districts would not lose dollars and hold harmless provisions would be unnecessary. **Senate Bill 269** was signed into law on July 1, 1981 as **Act 62**.

*****Philadelphia School Reports & Other Amendments** -- The Philadelphia School district must file quarterly financial report with the majority and minority chairmen of the House and Senate Education committees, Philadelphia City Council, and the mayor. The district budget is to be broken into quarterly budgets. Each quarter actual expenditures are to be compared to the budget.

House Bill 33 also raised from \$2,500 to \$4,000 the value of supplies, construction and repairs a district can purchase without bidding.

Other amendments required the Revenue Department to provide names of district residents who filed state income tax returns, protected the jobs of intermediate unit and vocational-technical school teachers when programs are transferred to local school districts, and clarified that districts have unlimited taxing authority to pay

current indebtedness.

House Bill 33 became **Act 1**, February 1, 1982.

Local Government

*****Hotel-Motel Taxes**--Philadelphia and Pittsburgh's tourist promotion efforts, along with those of two other municipalities, received a financial boost as a result of separate bills signed by the governor.

Among the measures are two allowing Philadelphia and Allegheny County to levy a three percent tax on hotel and motel room rental with proceeds dedicated to tourist promotion. In Allegheny County, however, Pittsburgh's David L. Lawrence Convention Center stands to be the primary beneficiary.

While **House Bill 2420 (Act 226)** grants Philadelphia first time authority to levy the hotel-motel tax, **Senate Bill 333 (Act 252)** allows Allegheny County to raise an already existing one percent tax.

Although the conference report of **Senate Bill 333** was approved easily late in the session, **Senate Bill 333** originally passed the Senate April 7, 1981. The legislation remained stalled primarily because of objections from another Allegheny municipality, Monroeville.

The conference report as finally approved compromises on Monroeville's behalf.

Specifically, these provisions are included:

- One-third of all proceeds will be used exclusively for promotion of the David Lawrence center;
- One-third of all proceeds would be allocated to Allegheny County's county-wide tourist promotion agency;
- Monroeville, under a provision limiting the definition of "convention center or hall," may request the return of one-third of its tax collections for its own tourist promotion. The municipality is expected to reclaim approximately \$80,000 because of the compromise.
- All remaining tax revenue is earmarked for operation and maintenance of the David Lawrence center.

Philadelphia's tax, meanwhile, requires city council's final approval, but the legislature retains authority to cancel the tax in three years. Philadelphia and Allegheny County both are estimated to earn approximately \$2.4 million.

Senate Bill 254 (Act 224) allows second class A counties (Montgomery and Delaware) to levy a similar three percent tax. The measure additionally authorizes second class counties (Allegheny) to produce electricity by means of a hydroelectric generating facility and to enter into contracts for the sale of the power.

*****Township Per Diem Increases** -- **House Bill 1302 (Act 35)** amends the First Class Township Code by increasing the per diem traveling expense to conferences for appointed township officers and employees to \$60. **House Bill 1582 (Act 39)** extends the same increased allowance to second class townships.

Per diem expenses for auditors in second class townships also have been approved. **House Bill 1200 (b)** raises the current per diem from \$20 to \$30 and caps the total annual compensation depending on township populations.

*****Municipal Pension Commission** -- **House Bill 349 (Act 131)** extends the commission's authority to cover administrative expenses, when necessary, with excess interest earnings of the pension fund.

Administrative expenses are primarily funded through a yearly assessment on participating municipalities. However, the commission has been authorized by the legislature in past years to use excess interest earnings to meet the balance when the assessment has been insufficient. The bill continues that authorization to 1983 but also reduces the maximum amount the commission can draw to a cap of one-half of one percent of the pension fund's total asset value.

*****Local Libraries** -- A local library maintained by a municipality could become part of the county library system as a result of legislation signed into law. **Senate Bill 1122 (Act 96)** amends the Library Code to allow municipalities within a county and the-county government to cooperate in funding a countywide library system.

*****Bidding Requirement Exemption** -- **House Bill 1632 (Act 52)** exempts Allegheny County's Port Authority from bidding requirements for contracts or purchases of \$4,000 or less. The bill raises the previous limit of \$2,500.

***Intergovernmental Cooperation Law** -- **Senate Bill 774** would have allowed municipal authorities to enter into agreements with other political subdivisions in efforts to perform various functions more efficiently. Currently, counties, some classes of cities, boroughs, incorporated towns, townships and school districts are granted such authority.

The bill failed to gain House approval.

*****County Commission Authority** -- **House Bill 223 (Act 100)** allows county commissioners to buy, condemn or acquire land; sell or lease land or mineral and timber rights; or build, alter or demolish county buildings without approval of the county court of common pleas. Commissioners can only purchase real estate at its determined fair market value, however. An amendment added by the Senate and agreed to by the House adds county institutional districts to the bill.

***Regulatory Advisory Opinions** -- The Senate unanimously approved a bill permitting Commonwealth Court to issue advisory opinions on regulations promulgated by executive agencies. Currently, someone wishing to challenge a regulation must first violate it to end up in court for review. **Senate Bill 1253** removed the adversary relationship and allows pre-enforcement appeals for review.

The bill was referred to the House Judiciary Committee, and then died in the House State Government Committee.

***Political Party Registration** -- A measure approved by the Senate November 10, 1981 would make it illegal to force an individual to register with a particular party as a requisite for employment. **Senate Bill 804** makes such action a third class misdemeanor. The bill died in the House Judiciary Committee.

*****Allegheny Tax Claims Bureau** -- **Senate Bill 140** amends the Real Estate Tax Sale Law by changing from 15 to 45 days the period during which a property owner can petition the court to disapprove the private sale of property by a county tax bureau. As amended by the House, a provision was added exempting a second class county (Allegheny) from creating a tax claims bureau. Under previous law, Allegheny would have been required to establish such a bureau by January 1, 1982, even though local officials argued the agency was not needed and only added another bureaucratic layer.

The bill became law (**Act 92**) September 26, 1981.

*****Allegheny Residential Finance Authority** -- **House Bill 530** permits a second class county Allegheny to publish a "concise" summary of its audit report in county newspapers instead of the previously required "complete" report. Additionally, the legislation grants Allegheny authority to create a Residential Finance Authority responsible for issuing bonds to finance housing rehabilitation and new home mortgages.

The bill became **Act 120** November 5, 1981.

*****County Population Changes** -- **House Bill 239** reduces the minimum population requirement for a first class county to 1.5 million from the current 1.8 million. Accordingly, the maximum population for a second class county (Allegheny) is reduced to 1.5 million from 1.8 million.

The bill became **Act 3** on February 5, 1982.

*****Fees Schedules** -- **Senate Bill 852 (Act 203)** re-establishes the fees schedule for prothonotaries of

common pleas court in Home Rule counties, second class A counties and third through eighth class counties.

The bill became law Nov. 26, 1982.

*****County Pension Funds** -- Savings and loan institutions, along with other approved financial institutions and insurance companies, are now permitted to serve as deposit administrators for county pension funds.

Senate Bill 1110, amending the County Pension Law, became **Act 194** on Nov. 23, 1982.

*****Public Employee Income Deferral** -- **Senate Bill 1046 (Act 189)** indexes limits on the deferral of Pennsylvania public employee income to the maximum percentage and amount permitted by federal law.

County and municipal employees may elect to have part of their annual incomes deferred for retirement purposes. The current Pennsylvania limit is set at 20 percent of annual income. This new law allows the limit to float with the federal limit.

*****Tax Exemptions** -- Current law allows various municipalities to exempt certain persons, based on their total personal income, from per capita, occupation or occupational privilege taxes. **House Bills 2461 through 2467 (Acts 211 - 217)** increase the current \$3,200 annual allowable exemption level for each to \$5,000.

****Real Estate Taxes (Philadelphia)** -- A Republican measure prohibiting Philadelphia from levying real estate taxes based on county-wide reassessment until the reassessment was entirely completed finally died in a House committee.

The provision, originally introduced as **Senate Bill 87**, was later inserted into **House Bill 538** by the Senate Local Government Committee and was subsequently approved by the full body 27-22. When returned to the House for concurrence in amendments, however, the bill was committed to the State Government committee where it died. **Senate Bill 87** similarly died in a House committee.

Opponents argued the legislation would have created a severe fiscal hardship for Philadelphia and would have interfered with an ongoing program already working.

*****County Association Expenses** -- A three-bill package increasing the maximum amount counties can pay for expenses of the association of district attorneys has become law.

Senate Bill 526 (Act 236) deals with eighth through third class counties. Limits for an eighth class county, for example would increase from \$50 to \$100, while the limit on a third class county would increase from \$300 to \$1,000.

Senate Bill 527 (Act 237) raises the limit for a second class and second class A county while **Senate Bill 528 (Act 178)** raises the first class county (Philadelphia) limit to \$2,000.

*****Volunteer Firemen Loans** - Implementation legislation clearing the way for a \$15 million bond sale to finance loans to volunteer fire companies, ambulance and rescue squads has been signed into law.

Senate Bill 1224 (Act 118) continues a program begun seven years ago when voters originally approved \$10 million in bond sales to assist the volunteer companies. The General Assembly's approval of **Senate Bill 422 (Act 44** of 1981) gave voters the opportunity to authorize the new bond sale.

This new infusion of low-interest money will assist volunteer organizations to build or remodel their housing facilities or to buy new equipment and vehicles.

In related action, the governor signed **Senate Bill 1338 (Act 162)**, legislation designating the Sunday of Fire Prevention week as Firefighters and Their Auxiliaries Day.

*****Development Ordinance Exemption** -- **House Bill 1856 (Act 130)** amends the Municipalities Planning Code. Currently a development plan approved by a local governing or zoning board is exempt from any subsequent changes in zoning or subdivision ordinances for up to three years. In addition to other changes, the legislation as finally approved now extends the three-year exemption to five years.

*****Realty Transfer Tax** -- **Senate Bill 514** exempts from the realty transfer tax any property transfers between grandparents and a grandchild or a grandchild's spouse. Transfers to or from a nonprofit industrial development agency or a conservancy additionally have been exempted.

The bill became **Act 168** June 23, 1982.

*****Liquid Fuels Tax** -- **House Bill 428 (Act 4)** amends the Liquid Fuels Municipal Allocation Law by granting municipalities the flexibility to use tax revenue for bond service.

*****Prothonotary Fees** -- **Senate Bill 937 (Act 85)** re-establishes the prothonotary fees schedule for second class (Allegheny) counties.

*****Lethal Weapons Act** -- A municipal police officer required to pass a physical/psychological test in order to carry a lethal weapon will not have to retake the test as a prerequisite for other employment.

House Bill 1384 (Act 32) defines "full-time police officer" and exempts anyone employed in that capacity since June 18, 1974 from retaking the test once they have passed. As a result, police officers accepting outside employment as security guards will not incur the expense of retaking the test, required by the Lethal Weapons Training Act.

*****County Assessment Changes** -- A package of bills (**House Bills 2559-2565**) designed to correct inequities in the assessment appeals system has become law. **Acts 267-273** require the State Tax Equalization Board to establish a "base year" and "common level ratio system" of assessment for counties.

*****Security Deposits for Bids** -- **Senate Bill 1019 (Act 254)** permits Allegheny County commissioners to require a five percent deposit to accompany bids and expands the terms of certain land agreements so tax-exempt land previously reserved for navigation purposes can be used otherwise.

*****Local Investment Options** -- Bills allowing local governments to invest funds in a variety of ways are now law. **House Bills 1193 and 1194 (Acts 258 and 259)** permit all counties to invest in financial instruments such as short term treasury notes, certificates of deposit, bonds and credit union shares. The measures also permit savings and loan institutions to offer first mortgages as collateral for local government investments.

House Bills 1532-1535 (Acts 261-264) permit boroughs, townships and third class cities to make varied investment of local funds.

*****Tax Collection** -- **Senate Bill 679 (Act 276)** amends the County Code by adding seventh and eighth class counties to the list of counties in which commissioners may designate the county treasurer to bill and collect taxes in third class cities and "home rule" municipalities that have abolished the tax collector's post.

*****Municipal Liens** -- **House Bill 1207 (Act 274)** amends the Municipal Claim and Tax Lien Law by extending the duration of municipal liens from the current five years to 20 years.

Environmental Resources

***Oil Divorcement** -- The Senate approved legislation prohibiting oil companies from operating gasoline stations in Pennsylvania and regulating agreements between distributors and dealers. **Senate Bill 1266**, passed the Senate in the final weeks of the session, but died in the House Business and Commerce Committee.

The measure attempted to protect independent dealers from major oil companies which allegedly are

trying to force them out of business.

Oil companies could have continued to own stations but the facilities would have been operated by independent dealers.

The bill also imposed certain requirements on distributors.

Distributors which operate retail gasoline outlets 'would have been forced to price gasoline to independent dealers at least four cents below the price posted at stations they operate. During gasoline shortages, refiners and wholesalers would have been required to apportion supplies uniformly among all stations on an equitable basis.

***Oil and Gas Drilling** -- The first major revision in Pennsylvania's oil and natural gas drilling laws since 1956 passed the Senate but died in the House Mines and Energy Management Committee. **Senate Bill 1210** was intended to give the state better control over oil and natural gas wells and drilling and to provide better environmental protection.

All well operators would have registered with the Department of Environmental Resources. The status and production of wells would have been reported to DER annually on a county basis. Wells could not have been drilled within 200 feet of any building or existing water well without consent from the owners. No wells could have been drilled within 100 feet of streams, bodies of water, or wet lands.

At the completion of drilling operations, operators were required to restore land around a well. A special Well Plugging Restricted Revenue Account was created to help fund plugging and restoration of abandoned wells

*****Energy Development Authority** -- The Pennsylvania Energy Development Authority created by **House Bill 1738** will make loans for projects primarily based in Pennsylvania for which private funding is unavailable. Projects could include research on energy use, renewable energy sources, limited demonstration projects of energy production or conservation, and promotion or use of Pennsylvania's energy resources.

The authority would sell tax exempt bonds to fund its enterprises.

House Bill 1738 also gives the governor emergency powers during a shortage of petroleum products like heating oil and gasoline. An unrelated section requires the General Services Department to conduct research on the use of coal derived synthetic fuels in state cars.

Another section aims to prevent criminals from profiting from selling the story of their crimes. Money from such sales would be deposited into an escrow account to benefit any victim of the crimes. Any remaining money would be returned to the criminal.

The governor signed **HB 1738** on December 14, 1982 making it **Act 280**. He item vetoed, however, a \$2 million appropriation for the authority. Funds derived from settlement of oil overcharge cases will be used to fund the authority rather than General Fund monies. The settlement payments are estimated to be at least \$1.4 million.

*****Auto Emissions Inspection Prohibited** -- A ban continues on state spending to implement a federally mandated auto emissions inspection program. Republican leadership attempted but failed to move legislation permitting the program during the final days of the session. **Senate Bill 1641** would have reversed previous legislation banning the use of any state funds to implement the program. That ban, contained in **House Bill 456**, was passed in 1981 over the governor's veto. **Senate Bill 1641** died in the Senate Appropriations Committee to which it was re-referred on a 26-21 vote.

A 1978 consent decree between the Environmental Protection Agency and the commonwealth led to the inspection program which would apply only to cars registered in areas in and around Philadelphia, Pittsburgh, and Allentown. The administration claims the state will lose \$400 million in federal highway dollars unless it implements the program.

A federal judge holds the state in contempt of the 1978 decree and ordered the federal highway funds withheld for projects in the Philadelphia and Pittsburgh areas.

****Centralia Coal Mine Fire** -- Legislation transferring \$10 million from the amount authorized in Project 500 to fight coal mine water pollution the amount earmarked to fight mine fires and subsidence will permit Pennsylvania to use existing bond money to meet its 20 percent share of a federal matching grant to fight underground fires instead of General Fund revenue. All or part of the money could be used to fight the Centralia mine fire.

Senate Bill 849 also extends Project 500 reclamation work indefinitely until all remaining funds are spent. The bill is on the governor's desk.

*****Water Bond Legislation** -- Legislation implementing a \$300 million bond issue for water projects won final legislative approval.

House Bill 2362 creates a Water Facilities Loan Board to lend up to \$220 million for repair or construction of community water supply systems. It could lend another \$40 million for flood control and up to \$40 million for port improvements.

House Bill 2362 was signed into law as **Act 167** on June 22, 1982.

*****Water Bond Referendum** -- Pennsylvania voters approved a bond issue referendum proposed by **House Bill 1484**. The \$300 million bond issue will be used to finance water system repairs, flood control, dam repair, and port improvements. Voters approved the bond issue at the November, 1981 election. The governor signed **HB 1484** into law July 12, 1981 (**Act 88**).

*****Regulation of Used Oil Recycling** -- The Pennsylvania Used Oil Recycling Act created procedures, regulations, and records for collecting and handling used oil. The Department of Environmental Resources is to oversee the law and regulations and promote the benefits of recycling oil. Where practical, commonwealth agencies and political subdivisions are to use recycled oil as a lubricant.

Used oil cannot be poured into sewers, drains, waterways, or in the ground. Burning it is permissible, if it does not endanger the public.

House Bill 242 became **Act 89** when the governor signed it April 9, 1982.

*****Wild Resource Conservation Board** -- Rare or endangered flowers, plants, and non-game animals which have little or no commercial or sport value come under the protection of a new Wild Resource Conservation Board. It is to establish regulations to protect plants and animals with natural and esthetic value and to create wild plant sanctuaries.

House Bill 163, which creates the board, allows Pennsylvania taxpayers to choose to help pay for the projects through voluntary check offs on state income tax forms to contribute all or part of a tax refund to the Wild Resource Conservation Fund. No General Fund money would be used. The bill was signed by the governor and became **Act 170** on June 23, 1982.

***Sales Tax Exemption for Solar** -- The Senate unanimously approved an exemption from the state sales tax for solar energy hot water systems in residential buildings. **Senate Bill 1073**, however, died in the House Appropriations Committee.

****Borough Power Authorities** -- **Senate Bill 955** gives boroughs more authority to provide electrical power to residents. Boroughs could create joint municipal power agencies or join with other municipalities, corporations, cooperatives or government units to build, buy, or lease facilities. The bill is before the governor.

*****Scenic Rivers Act Amendment** -- The power of eminent domain has been removed from the

Pennsylvania Scenic Rivers Act. Property owners desiring to protect streams running through their land have feared their property would be condemned. **House Bill 936** became **Act 110** on May 7, 1982.

*****Environmental Hearing Board Raises** -- Members of the Environmental Hearing Board are in a better position to receive raises.

The Executive Board will now set their salaries with limits of \$37,500 set for the chairman and \$35,000 for other members. Previously, their salaries were set by law. **House Bill 1943** also prohibits oil and gas inspectors from having any interest in or employment with any oil or gas drilling operation, mine, or mining operation in Pennsylvania.

The bill became **Act 111** on May 7, 1982.

****Mini-Warehouses** -- Owners of "self service storage facilities" could place a lien on stored property to recover unpaid rent. If the renter refuses to pay owed money for 30 days, the landlord could sell the stored property. **House Bill 1079** is before the governor.

Game and Fisheries

*****Protection of Sportsmen's Privacy** -- Two measures enacted into law this year were designed to protect Pennsylvania sportsmen from commercial firms which want to use Fish or Game Commission files for various mail solicitations.

Senate Bill 1205 made it unlawful for any official, employee, agency or business to release personal information listed on hunting and trapping licenses. The only exceptions are for enforcement of laws and regulations and other legitimate governmental duties.

Senate Bill 1272 provided that information on fishing licenses, boat registrations and permits is not a public record subject to the Right-to-Know Law and, therefore, does not have to be disclosed.

Senate Bill 1205 is now **Act 86** and **Senate Bill 1272** is now **Act 88**.

Both were signed on April 8, 1982.

*****Fishing License Fee Increase** -- **House Bill 1244** increases fees for fishing licenses. Resident licenses will go from \$9 to \$12, non-resident licenses from \$14 to \$20, and seven-day tourist licenses from \$9 to \$15. The Fish Commission estimates that the Fish Fund could have been in the red by the 1983-84 fiscal year without additional revenue. The governor signed the bill June 25, 1982, making it **Act 180**.

*****Limited Raccoon Season** -- The first 30 days of Pennsylvania's raccoon season are now open only to state residents. Non-resident hunters and trappers have been taking more raccoons in Pennsylvania while neighboring states have closed the first part of their seasons to non-residents. **House Bill 1601** became **Act 51** on March 7, 1982.

*****Wildlife Regulations** -- The state Game Commission now has authority to regulate exhibition and ownership of wildlife in private hands. Previously, the state had no power to deal with problems arising from private ownership of exotic animals like lions, bears and cougars. Under **House Bill 1776**, the commission would create regulations for control and housing wildlife, issue wildlife dealer's permits, and issue wildlife possession permits. The bill became **Act 60** on March 13, 1982.

*****Bear Hunting Licenses** -- Special bear hunting licenses were created by **SB 14** which was signed into law June 24, 1981 as **Act 37**.

The bill allows the Game Commission greater control over the bear harvest. In addition to regular hunting license fees, residents will pay \$5 for the special bear license and nonresidents will pay \$15.

*****Hunters' Safety Requirements** -- All hunters of any age must take a hunters' safety course or prove they have held a hunting license from Pennsylvania, another state, or another country in order to obtain a Pennsylvania hunting license. Previous law required only first time hunters under 16 to take the course or prove they had held a license.

House Bill 1342 was signed into law December 22, 1981, becoming **Act 149**.

*****Doe Licenses for Property Owners** -- An owner of 80 or more continuous acres of land could obtain one doe license from the county quota before the licenses are issued to the public. Only one license would be issued per property.

Senate Bill 1156 is a response to complaints from farmers and other large landowners who cannot obtain doe licenses even though they open their land to others. Under the bill they must open their property to public hunting and trapping to qualify for a guaranteed license.

The bill became **Act 21** on February 11, 1982.

*****Veterans Hunting Licenses** -- Disabled veterans will receive antler-less deer licenses without regard to the numbers or quotas of licenses. They would have to pay for the licenses. **Senate Bill 343** was unanimously approved by both chambers and became **Act 38** when signed on June 24, 1981.

Military and Veterans Affairs

*****Special License Plates** -- Special automobile license plates will be issued to Pennsylvanians who received the Congressional Medal of Honor. Medal of Honor recipients and former prisoners of war, for whom special plates already exist, will pay only a \$10 processing fee for their plates instead of the annual \$24 vehicle registration fee.

The governor signed **Senate Bill 674** into law as **Act 197** on Nov. 23, 1982.

*****Agent Orange Commission** -- Concerned about veterans exposed to Agent Orange and other herbicides while in Vietnam and about the lack of federal response, the General Assembly has created a 15-member Vietnam Herbicides Information Commission. Some veterans exposed to herbicides claim a variety of afflictions result from that exposure.

House Bill 1575 requires the new commission; to determine what medical and social aid exposed veterans require; to conduct and coordinate efforts to tell veterans about available federal or state help; to provide information about studies on veterans' exposure to herbicides.

The commission is to gather information on health effects of herbicides exposure and to issue a report with recommendations. The state Health Department is to run a reporting system on health effects of exposure.

While acknowledging the federal government's primary responsibility the measure provides some limited state assistance and a vehicle to deliver federal services. **House Bill 1575** was signed into law as **Act 99** on April 29, 1982.

*****Lower Tuition for Military Personnel** -- Military personnel or their dependents stationed in and residing in Pennsylvania would qualify for the lower resident tuition at state-owned colleges under **Senate Bill 1015**. The governor signed the bill December 15, 1982.

State Government

***Fewer Votes for Confirmation** -- Senate Republicans approved two measures reducing from two-thirds to a simple majority the number of votes needed to confirm nominees to the Turnpike Commission, Liquor Control Board, Public Utility Commission, Milk Marketing Board, Fish Commission, and Game Commission. **Senate Bill 86** went to the House on June 1, 1982 and the provisions of that bill were amended into **House Bill 1885** on June 7.

The House gutted **SB 86** and refused to agree to the amendments in **HB 1885**. Subsequently, the confirmation changes were removed from the latter bill in conference committee.

*****Ben Franklin Partnership** -- A mechanism to foster "high tech" industry in Pennsylvania has been put into place by the Ben Franklin Partnership created from the Pennsylvania Science and Engineering Foundation by **House Bill 2344**.

At various universities or colleges the partnership board is to create advanced technology centers to combine efforts of business, universities, and government. The centers are to engage in training, education, research, and other activities promising to diversify the state's economy. The various centers are to market developments, fund market development, create "technology small business incubators", and develop "industrial parks" for high technology.

The technology centers are to share \$1.5 million. Each center could receive no more than half its funding from the board.

House Bill 2344 became **Act 223** on December 6, 1982, when the governor signed it into law.

*****Congressional Reapportionment** -- Majority Republicans in the General Assembly passed a purely partisan congressional reapportionment plan designed solely to favor their own political interests. The legislature had to redraw district lines to reflect population shifts and the loss of two congressional seats. The plan placed two incumbent Democratic congressmen in the same district in the west and two in Philadelphia.

Senate Democrats also criticized the plan for diluting the votes of the black constituency in Chester and Pittsburgh. Democrats labeled the plan a classic example of gerrymandering. Senate Republicans went so far as to begin a roll call vote on **House Bill 1437** while Democrats were in caucus. The governor signed the bill into law March 3, 1982.

*****Changes in the Sunset Act** -- **Senate Bill 1292** makes several changes in the state's one year old Sunset Act. The joint leadership committee could waive detailed performance audits of agencies which have held no meetings or taken no action for three or more years or which have budgets below \$100,000. A summary audit would be done instead.

The General Assembly could reestablish agencies for a 10-year period, instead of the six-year period provided for in the original law.

Also, the State Highway and Bridge Authority is deleted from the group of agencies scheduled to go out of existence in 1985.

*****Sunset Legislation** -- A formal legislative review process of some 76 state agencies and departments was put into place by **Senate Bill 108**. The agencies are scheduled to go out of business in three groups unless the legislature specifically acts to continue them. If continued, the agencies, boards, and commissions are scheduled for review every six years.

Standing committees of the House and Senate, with aid from the Legislative Budget and Finance Committee, will review each unit and recommend whether to terminate, alter, or continue it. Committees are to consider performance, efficiency, economic factors, and whether an agency operates in the public interest. Agencies must justify their existence.

Senate Bill 108 became **Act 142** when the governor signed it December 22, 1981.

*****Regulatory Review Commission** -- A five-member commission will now review proposed regulations. The commission will determine whether proposed regulations are cost effective, reasonable, in the public interest, and whether they do what the legislature intended.

Designated standing committees of the House and Senate can review proposed regulations and approve or disapprove them. The commission must consider committees' recommendations. The legislature could stop proposed regulations by passing concurrent resolutions preventing their implementation.

The commission would consist of five members appointed by the governor and by majority and minority leadership in the House and Senate.

Senate Bill 1, which created the commission, was signed into law June 25, 1982 and became **Act 181**.

*****Bingo Legal** -- Bingo is now legal in Pennsylvania for nonprofit organizations. **House Bill 261** sets limits on how the game is operated and on prizes awarded. County treasurers, or in Philadelphia a designee, issue yearly \$100 licenses to nonprofit organizations in existence for two years. (Senior citizens groups pay \$50.) Organizations must use only their own members, facilities, and equipment to run games.

Generally, all agreements for equipment and facilities must include a price, not a sliding fee tied to the amount of money taken in.

Bingo games can be operated only two days per week, except during once-a-year carnivals. Total prizes to be awarded on any day are limited to \$4,000. The maximum for anyone game is \$250, except for jackpot games whose limit is \$2,000.

The governor signed the bill July 10, 1981, making it **Act 67**.

*****Bingo Law Revisions** -- Despite restrictions in the new Bingo Law, commercial operators have found ways to circumvent the law and to use legitimate organizations as fronts in order to conduct bingo games.

Senate Bill 1389 attempts to close loopholes.

Association members are required to belong to the organization for one year before they can help run bingo games. Prizes cannot be advertised. Persons convicted of felonies or violations of the Bingo Law could not help conduct games nor lease buildings or property for bingo to an association. Bingo receipts must be deposited before payments can be made, except prizes and wages.

Groups which run limited games will also benefit. Special \$15 permits (compared to the standard \$100 license) are available to organizations operating bingo only three consecutive days per year. Elderly residents of a senior citizen housing project could obtain a license without the usual two-year wait. Nonprofit organizations qualify for free permits to play bingo for entertainment only.

The governor signed the bill December 15, 1982.

*****Horse Race Industry Reform** -- The legislature approved a 20 percent cut in the state tax on race tracks' daily handle, an increase in the number of racing days, and some new forms of betting in order to revitalize Pennsylvania's racing industry.

Senate Bill 962 authorizes "Dial-a-Bet," allowing bettors to make telephone wagers. Tracks also can accept bets on races broadcast over closed-circuit television from other states. The bill combines separate laws on thoroughbred and harness racing into one, combines the two separate commissions, requires rules controlling medication of horses, and sets up a testing laboratory to police medication rules.

The Philadelphia School District will receive a flat \$3.5 million annually from racing. **Senate Bill 962** was signed into law December 17, 1981 as **Act 135**.

*****Race Horse Law Water Projects** -- **Senate Bill 1279** allows water and sewage disposal facility grants issued under the Race Horse Industry Reform Act to be used in conjunction with loans from the \$300 million water projects bonds issue. Existing law provides grants from racing revenues to municipalities with less than 12,000 population but prohibits combining that money with other state funds. The governor signed the bill December 13, 1982 making it **Act 277**.

***Consumer Advocate's Budget** -- The House rejected (98-84) a new procedure for determining the consumer advocate's budget. The conference report on **Senate Bill 685** required the attorney general to submit an estimated budget for the consumer advocate to the governor who was to submit his recommendation to the General Assembly. If the legislature failed to approve that budget by March 15, spending would have continued according to the previous budget. Presently, the consumer advocate's budget is the lowest amount approved by the governor, House Appropriations Committee, or Senate Appropriations Committee.

Among other changes in the bill: repeal of a ban on the consumer advocate taking public office within two years after leaving the advocate's office; changing the name of Farview State Hospital; limits on mutual fund registration fees; and changes in the size and membership of the State Veterans' Commission.

*****Lottery Commission Abolished** -- The state Lottery Commission will be abolished and its few responsibilities transferred to the Lottery Division of the Revenue Department under **Senate Bill 404**. The commission's main assignment was giving advice, but its recommendations were not binding. Also, a special \$4.1 million transportation assistance grant in the current budget could be used not only to buy vehicles to transport senior citizens but to replace, lease, maintain, or operate the vehicles.

Agencies complained they had equipment but not money to operate it.

The governor signed the bill December 15, 1982.

*****Paperwork Control** -- State departments and agencies must develop a program for forms and publications and designate an officer to manage the program under **House Bill 675**. Forms and publications are to be reviewed at regular intervals and annual reports are to be submitted to the legislature. The governor signed the bill December 13, 1982 making it **Act 256**.

*****Private Jail Financing** -- **Senate Bill 1487** allows local industrial development authorities to issue bonds to finance jail construction by private developers who would lease the prison back to the county. The combination of federal tax credits and low interest authority financing could result in rental costs below the county's debt service cost. At the end of the lease period the county could buy the jail.

In addition, each political subdivision which creates an industrial development authority can designate and empower an elected official to approve authority bond issues and construction projects. By implication, the municipal government could veto authority action.

*****Municipal Authority Aid to Colleges** -- Municipal authorities now have power to finance building construction for private, nonprofit, nonsectarian colleges and universities, including community colleges and state-related universities. **Senate Bill 562** became **Act 10** on February 8, 1982.

*****Death Benefits for 'Volunteer Firemen** -- A \$25,000 death benefit will now be provided to survivors of volunteer firemen, rescue squad, and ambulance service members killed in the line of duty.

Previous interpretations of law restricted the death benefits to professional firemen. Payments will be retroactive to Jan. 1, 1978 to cover nine old claims.

Under **House Bill 395**, the state will pay the \$25,000 to political subdivisions within 30 days of deaths and they will pay survivors. The bill became **Act 102** on October 16, 1981.

****Capitol Preservation Committee** -- A Capitol Preservation Committee and Capitol Restoration Trust Fund is created under **House Bill 2577**. The committee is to monitor historic preservation and restoration of the

capitol building and all historic documents or artifacts within or related to it. The committee's chief objective is preserving the historical and architectural integrity of the building. It can acquire or receive documents and objects of historical value.

The bill is before the governor.

***New Home for Centralia Residents** -- A plan to relocate Centralia Borough residents threatened by an underground mine fire died in the House State Government Committee. **Senate Bill 1287** would have allowed 44 acres of former state land in Northumberland County to be used to relocate the residents.

***Absentee Ballots Easier to Get** -- **Senate Bill 1218** would have moved the deadline to apply for an absentee ballot to 5 p.m. the day before an election, instead of the Friday before. The bill died in the House State Government Committee.

***Deferred Compensation Plan** -- The Senate. unanimously approved a deferred compensation plan for state employees but **Senate Bill 488** died in the House State Government Committee. In order to reduce current taxes and increase retirement income, state employees would have been able to defer part of their salaries or wages until retirement.

*****Adverse Interest Act Changes** -- **Senate Bill 1091** exempts from the State Adverse Interest Act employees who do not participate in contract decisions either as a state employee or as a representative of a party with a state contract. The act attempts to prohibit state employees or consultants from influencing contracts to a company if they also work for that company. Also, the bill permits state employees to serve as local government officials provided they disclose any potential adverse interests and do not vote on any issues involving the state. This provision reverses an attorney general's decision.

Senate Bill 1091 became **Act 245** when the governor signed it December 9, 1982.

*****Recovery of Legal Fees** -- Small businesses which defeat frivolous suits brought against them by the state will be able to recover incurred legal expenses from the state under **House Bill 1126**. The bill was signed into law December 13, 1982 to become **Act 257**.

****Nurse Examiners Board** -- **Senate Bill 671** contains new requirements for the governor's appointments to the State Board of Nurse Examiners.

At least three of the five registered nurses on the board must hold masters degrees in nursing, even though such nurses are a small minority of all nurses. Also, the two licensed practical nurses on the board must have been active in nursing for five years immediately before appointment. Previously the governor chose nominees from two lists prepared by nursing associations.

The bill is on the governor's desk.

***Judicial Candidates** -- **Senate Bill 491**, counteracting a state Supreme Court order and allowing candidates for judicial posts to discuss campaign issues, died in the House State Government Committee.

*****Salary Maneuver Prohibited** -- Public officers could not resign from office and then be reappointed to the same post at a higher salary under **Senate Bill 398**.

*****Interpreters for Deaf** -- **Senate Bill 796** requires the state to provide interpreters for deaf persons in any proceedings before a commonwealth agency. The bill was signed into law December 10, 1982 as **Act 253**.

***Buy American Cars** -- **Senate Bill 503** would have created the Motor Vehicle Procurement Act to require the commonwealth, a political subdivision, or an authority to purchase or lease only American manufactured cars. The bill died in the House State Government Committee.

*****Philadelphia Mail-in Registrations** -- Philadelphia voters now can change their party registrations by

mail, a privilege previously extended to other voters. **House Bill 497** also provides that mail-in voter registrations in Philadelphia cannot be rejected simply because the person refuses to indicate his or her race. The bill became **Act 22** on February 16, 1982.

****Pension & Aviation Fuel Tax Amendments** -- At the November 1981 election, voters rejected a proposed constitutional amendment which would have allowed the General Assembly to increase retirement benefits for widows or widowers of state or municipal pension system members. The intent was to allow the General Assembly to pass legislation providing cost-of-living increases to survivors.

Voters did approve a second constitutional amendment, which requires aviation fuel excise taxes to be used for the purchase, construction, operation or improvement of airports, as well as other aviation related expenses. It also provides for reimbursement to airport property owners for property taxes.

Both proposals appeared on the ballot as a result of House and Senate approval of **Senate Bill 319** ..

*****Contractor Performance Requirements** -- Under new law created by **Senate Bill 1323**, when a construction project is 50 percent completed, a government unit must return half the funds it retained to ensure a contractor's performance, provided (1) the architect or engineer approves, (2) the contractor is making satisfactory progress, and (3) the contract does not require greater withholding. Thereafter, the amount retained may not exceed five percent of the value of completed work. The General Services Department can withhold six percent of the total cost until the project is half done and only three percent thereafter.

The bill became **Act 200** when signed on November 23, 1982.

Aging and Youth

*****Lottery Fund** -- In the face of dismal economic times, Pennsylvania's 10-year-old lottery has nevertheless realized continued success, prompting the General Assembly to enact legislation expanding the senior citizen programs it supports.

Senate Bill 1102 (Act 56) is the result of a \$75.8 million surplus in fiscal year 1981-82. In addition to granting a one-time \$100 "inflation dividend" rebate to 410,000 eligible senior citizens, the measure also raises the income eligibility ceilings and increases cash dividends for two lottery supported programs. Income eligibility for the Property Tax and Rent Rebate Program and the Older Persons Inflation Needs Program (OPIN) have been raised to \$12,000 from \$9,000.

Under the OPIN program, cash dividends at the lowest income bracket are increased to \$125. Similarly, property tax and rent rebates are increased according to income with the maximum allowable rate raised to \$500 from \$400.

Senate Bill 1102 passed the Senate February 2 and was then amended by the House to increase the inflation dividend to \$200. The Democratic proposal, however, was rejected and the original \$100 retained when the bill was referred to conference committee following refusal of House amendments by majority Senate Republicans.

Democrats argued that by the administration's own account, the Lottery Fund would have supported the larger one-time bonus.

The administration, nevertheless, opposed the larger rebate, they said, because the governor intended to save the remaining surplus to fund Department of Aging programs instead of making a General Fund appropriation.

In fact, the governor's 1982-83 budget allocates no money to the Department of Aging for programs, supporting the contention that the lottery instead of the General Fund will be the source for the needed \$18 million. Democrats in the past have successfully blocked such a funding scheme on the basis that the lottery's

function is to supplement senior programs, not sustain them.

As approved, the legislation allocates \$6.2 million to area agencies on aging for FY 1981-82 and commits \$4.1 million in FY 1982-83 to the agencies for transportation related purposes. A \$1 million appropriation for Meals-on-Wheels equipment proposed by House Democrats was stripped from the bill in conference committee.

***Retirement Homes -- Senate Bill 380** would have required owners or operators of retirement homes and retirement communities to present financial statements to prospective investors. The legislation, approved unanimously by the Senate, died in the House Health and Welfare Committee.

***Protection of the Elderly** -- Legislation establishing a statewide reporting and investigation network to detect unsuspected abuse or neglect of the elderly received unanimous Senate approval but died in the House. **Senate Bill 1047** would have assigned area agencies on aging and the Department of Aging the responsibility of carrying out the bill's provisions.

*****Philadelphia Detention Center** -- The city of Philadelphia now assumes complete management responsibility for the Youth Detention Center there as a result of **House Bill 2603 (Act 232)** being signed into law. The detention center was previously managed by a board of managers which will be abolished on the bill's effective date.

*****Age Discrimination** -- Under current law, those between ages 40 and 62 are protected against age discrimination under provisions of the Pennsylvania Human Relations Commission Act. **House Bill 2347 (Act 288)** extends the age limit to 70 and also would grant protection to anyone else who subsequently qualifies under changes to the federal age discrimination act.

Public Health and Welfare

*****Welfare Conformity and General Assistance** -- In the midst of one of the state's worst economic recessions, a welfare measure drastically reducing or eliminating benefits to thousands of needy Pennsylvanians has taken effect in the commonwealth.

House Bill 720, three years in the making, became **Act 75** on April 8, 1982. The legislation combines federally mandated alterations to the Aid to Families With Dependent Children (AFDC) program with cutbacks in the state funded general assistance program.

As approved, **HB 720** implements cutbacks in the general assistance program by classifying recipients as either transitionally or chronically needy.

The transitionally needy--those persons between age 18 and 45 who are able to work--are limited to only three months' assistance a year. Beyond the 90 days, the transitionally needy are denied aid even if they can find no work. The administration-backed provision comes at a time when Pennsylvania's unemployment ranks among the highest of the industrial states.

Democrats, while wholeheartedly supporting the need for welfare reform, opposed the proposal as nothing more than welfare elimination and viewed it as another attempt by the governor to balance his budget at any cost. By the close of the legislative session, Democratic contentions proved true.

While the administration originally estimated no more than 68,000 recipients would be tossed out of the system by eliminating benefits after three months, when the law took effect December 1st, those estimates increased to nearly 100,000. An initial state savings estimate of \$36 million also increased proportionately.

The massive increase caused certain welfare activists to accuse Thornburgh of deception for waiting until after the November election to release accurate estimates.

A more realistic approach, according to Democrats, would have granted the able-bodied assistance as

long as they need it, provided they earned their checks through public service employment. Such a "workfare" provision was continually insisted upon; however, as finally approved, the able-bodied will be participating in workfare programs only for the three months they are eligible for cash assistance.

A conference report on **HB 720** presented to the Senate in January, 1982 also provided an on-going workfare provision for eligible AFDC recipients. The requirement would have meant that mothers with children older than age six would have been forced to leave home and work for their checks in community service jobs.

Democrats successfully blocked passage of the conference committee report and were able to insist on amending the requirement when returned to conference. Now, a parent caring for a child between the age of six and 14 will only participate in workfare when the child is in school.

Other provisions of the bill which Democrats did not oppose include these:

- Those defined as chronically needy are eligible for assistance for an indeterminate time. Included in that group are the physically and mentally handicapped and those who have held a job for four of the last eight years and who have exhausted all unemployment compensation benefits.

- The eligibility requirements for the AFDC program have been tightened to conform with federal changes. The program is jointly funded by the state and federal government.

- The penalties for welfare fraud have been increased.

- Tax credits will be offered to businesses hiring welfare recipients during the next three years. The credits are not to exceed \$25 million in any year.

Other provisions of the bill include:

- A Democratic proposal that an individual who owns a home and who participates in a workfare program will not have a lien placed against the home while he is working.

- An able-bodied GA recipient receiving aid on or before April 8, 1982 will continue to be eligible until December 31, 1982. At that time, the individual will be considered transitionally needy and lose benefits after three months.

*****Emergency Services Act Extension** -- **Senate Bill 1427 (Act 169)** extends the expiration date of the Emergency Medical Services Act to 1983. Without the bill's passage, the program implemented by the act faced a June 30, 1982 deadline.

*****Physical Therapist Reimbursement** -- Physical therapists may now receive direct reimbursement from health carriers. Specifically, **House Bill 1969 (Act 70)** classifies physical therapists as "health service doctors" and by doing so allows them to be directly reimbursed for services. Previously, payments were often filtered through the patient's physician who ordered the therapy.

*****Personal Care Boarding Homes** -- A bill giving voters the choice to decide whether any future bond sales already authorized by a 1974 referendum could be used to refurbish personal care boarding homes has been signed into law.

In 1974, voters authorized a \$100 million bond sale to finance the reconstruction and repair of nursing homes. At the present time, approximately \$53 million in bonds have been sold and the money loaned to 72 nursing homes. **House Bill 121 (Act 139)** asks voters to decide whether any future bond sales of the remaining \$47 million authorization could finance personal care boarding home improvements as well as nursing home repairs.

*****Look-Alike Drugs** -- In an effort to crack down on the flourishing "look-alike" drug industry in Pennsylvania, the General Assembly has approved legislation dealing stiff punishment to those involved in this new twist to drug trafficking.

Senate Bill 1095 (Act 23) makes the sale and manufacture of look-alike drugs a felony punishable by up to five years in prison and/or a \$10,000 fine. Look-alike drugs, actually composed of nonprescription substances like caffeine, are manufactured and packaged to resemble controlled substances such as amphetamines and barbiturates and have been linked to teenage strokes and deaths.

*****Midwife Reimbursement** -- **Senate Bill 361**, signed by the governor December 23, 1981 as **Act 168**, requires insurance companies providing maternity health coverage to pay directly for services performed by a certified nurse midwife. **House Bill 2663**, meanwhile, which corrects errors and oversights in the legislation awaits the governor's consideration.

*****Child Abuse** -- Law officers investigating serious child abuse cases will have access to confidential caseworker files. **Senate Bill 348** became **Act 136** on June 10, 1982.

The measure amends the Child Protective Services Act to require county welfare workers to provide confidential files when access is needed in cases involving homicide, sexual abuse, or exploitation or when the child has sustained serious bodily harm. The provision is aimed at allowing police officers to better detect patterns of continued child abuse.

The act is also strengthened by requiring caseworkers previously restricted by the state's confidentiality law to report incidents of suspected child abuse to the police. The right of privileged communication between other professionals required to report abuse and their patient or client is additionally suspended.

Efforts to correct deficiencies in the state's child abuse law date back to 1979 when a Democratic proposal was originally introduced.

"**V**" **Certificate of Need** -- Legislation which would have repealed the state's controversial Certificate of Need Law if the federal mandate for the program expires has been vetoed.

Currently, federal law requires states to approve or disapprove any proposed construction of new health facilities based on community need and potential health care cost impact. However, the program's effectiveness in containing spiraling health care costs has been questioned.

Senate Bill 838 would have automatically dismantled the state's certificate of need program adopted in 1979 if the federal requirement is repealed. While agreeing there are serious questions surrounding certificate of need, the governor's veto message indicated the legislation's passage was premature. The governor contended the state would do well to await results of ongoing discussions at the federal level before acting. The veto was also based on the possibility of the state losing federal health care aid it now receives for participating in the certificate of need program.

Senate Bill 838 included its original provision which delayed the licensing of home health care agencies.

***Cancer Treatment** -- **Senate Bill 1496** would have permitted a consenting patient in Pennsylvania to be treated by an experimental cancer process known as Immuno-augmentative Therapy. Commonly referred to as IAT, the treatment attempts to bolster a patient's immunity system to inhibit cancer growth.

The measure, necessary because IAT has not been approved by the Food and Drug Administration, was referred to the House Health and Welfare Committee, but received no further attention.

Community and Economic Development

*****Domestic Cast Iron** -- **Senate Bill 1363 (Act 161)** amends the "Steel Products Procurements Act" by further defining "steel " products" to include cast iron products. By doing so, all commonwealth agencies required to use domestically produced steel for their public works contracts will also be required to use American made cast iron.

***Buy American** -- The Senate has unanimously approved a measure requiring commonwealth agencies to "Buy American." **Senate Bill 1386** requires state agencies to use domestic materials for their public works contracts. As defined by the bill, "domestic materials" would include articles, materials and supplies produced, mined or manufactured in the United States.

Urban Affairs and Housing

***Condominium Conversion** -- Legislation expanding provisions of the commonwealth's 1980 Condominium Act has been approved unanimously by the Senate.

Senate Bill 1132 required more detailed information to be included in public offering statements announcing condominium conversion.

One measure required owners to inform prospective buyers of any "visible conditions" adversely affecting an occupant's health or safety; any mechanical or structural faults; and the cost of repairing the deficiencies.

Those offering the condominium conversion would also be required to provide information relating their previous experience as converters.

Senate Bill 1132 was referred to the House Business and Commerce Committee where the measure died.

*****Mortgage Bond Program** -- Legislation continuing a federally initiated revenue bond program for financing loans to middle income families has been signed into law.

House Bill 930 (approved December 31, 1981 as **Act 176**) continues the home mortgage program initiated by federal passage of the Mortgage Subsidy Bond Tax Act of 1980. The General Assembly's action was needed to re-authorize the program.

Specifically, the legislation granted the Pennsylvania Housing Finance Agency (PHFA) and qualifying municipalities authority to issue up to a total of \$430 million in bonds annually. The legislation specified that a percentage of the resulting loans would not only finance the purchase of new, single-family dwellings but also finance the rehabilitation of existing dwellings and for energy related improvements.

***Landlord Tenant Law** -- **Senate Bill 147** would have amended the Landlord Tenant Act to prohibit landlords from requiring a nonrefundable conditioning fee as prerequisite for renting residential premises. The bill passed the Senate unanimously June 22, 1981, but progressed no further than the House Business and Commerce Committee.

***Mobile Home Purchases** -- The Senate passed a bill to provide some protection to mobile home purchasers. **Senate Bill 384**, approved by the Senate June 29, 1981, provided that the existence of a waiting list of prospective purchasers could not have been used to withhold approval of a mobile home purchase within a park.

The measure died in the House.

***Rent Withholding** -- **Senate Bill 758** passed the Senate unanimously and would have extended the provisions of the rent withholding law in effect for cities to borough and townships. The House failed to approve the bill, however.

***Mobile Home Standards** -- The Senate unanimously approved a bill repealing the commonwealth's 1972 Uniform Standards Code for mobile home construction and enacting in its place federal standards. The measure required all manufactured homes produced or sold in the commonwealth to meet standards established by the U.S. Housing and Urban Development Department.

Senate Bill 1124 died in the House Business and Commerce Committee.

*****Philadelphia Gas Works** -- Philadelphia's municipally-owned utility is now permitted to borrow against its anticipated utility revenues to finance working capital needs. **House Bill 2522 (Act 231)** allows the utility to rollover debt into the next fiscal year like other utilities.

The provision is expected to alleviate some of PGW's cash flow difficulties and result in annual savings of about \$100 million.

*****Philadelphia Bond Sale** -- **Senate Bill 719 (Act 69)** permits Philadelphia to sell bonds below par value, a move which will greatly aid bond sales for raising revenue.

*****Parking Authorities** -- Companion bills allowing various municipalities to grant greater regulatory and enforcement control to established parking authorities are now law. Under provisions of **House Bills 2519 and 2520 (Acts 229 and 230)** parking authorities may develop and administer on-street parking plans.

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