

Senate of Pennsylvania

SENATE DEMOCRATIC WRAP-UP FOR THE 1989-1990 LEGISLATIVE SESSION

FOR EDITORIAL BACKGROUND

As the Senate of Pennsylvania concluded its 200th year, dozens of bills won enactment as the state's bicameral legislature wrapped up the 1989-90 two-year session.

Prior to December 10, 1790 -- the date of the first meeting of the Senate of Pennsylvania on the second floor of Independence Hall in Philadelphia -- the commonwealth was governed by a unicameral House of Representatives and a non-elected, 12-member Supreme Executive Council.

Two centuries later, and with final votes nine days before the official end of the two-year session at midnight November 30, the 1990 state Senate and House had made its mark on the future -- and in history -- by addressing issues of importance to Pennsylvanians today.

A total of 89 bills were passed and sent to the governor as the 1989-90 session came to a close.

Legislation to establish a comprehensive hazardous materials safety and emergency preparedness program, to better protect the public during times of chemical spills and industrial accidents, became law.

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Coupled with the Democrat administration's trash recycling law, toxic waste cleanup law and Pennvest clean water program, the hazardous materials safety program was viewed as another key accomplishment in the continuing effort to protect the public health and preserve Pennsylvania's environment.

Also enacted in the post-election session were a series of bills to address the continuing problems of crime, drugs and prison overcrowding.

For the first time, Pennsylvania has a law on the books that requires -- beginning in the 1991-92 school year -- instruction in grades kindergarten through 12 on the dangers of drug, alcohol and tobacco abuse.

Also passed was a bill creating 24 new common pleas court judgeships in Pennsylvania (including five for a special "drug court" in Philadelphia), a measure providing for the eviction of drug traffickers from rental units and housing projects, and legislation providing for various alternatives to jail for non-violent criminals as well as the creation of military-style, motivational "boot camps" for young offenders.

Enacted earlier in the session was a far-reaching prison expansion bill to add 5,600 new cells to the state prison system and to provide matching grants to counties for local jail construction projects.

Other new laws permit municipalities to charge developers impact fees for necessary road and sewerage infrastructure improvements brought on by new development, require that lethal injection replace the electric chair as the method of execution under the state's death penalty statute, protect the confidentiality of people who are tested for AIDS so that fear of disclosure does not prevent detection, and protect the jobs and other rights of Pennsylvania National Guard and other military reserve personnel while they're away from home on active duty.

Major accomplishments earlier in 1989-90, meanwhile, included the enactment of Governor Casey's third and fourth no-tax-increase state budgets, passage of a sweeping auto insurance rate rollback law, approval of the so-called Medicare Overcharge Measure to prevent senior citizens from having to pay excess fees for health care services, first-session approval of a judicial reform constitutional amendment, passage of the most stringent anti-corporate takeover law in the country, and enactment of many new weapons in the war against drugs.

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

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

-- BUDGET AND FINANCE --

*** **1990-91 State Budget** -- For the fourth consecutive year under the Casey administration, the General Assembly enacted a no-tax-increase state spending plan for fiscal 1990-91.

Final legislative approval of the \$12.2 billion (\$12,210,554,000) General Fund came on a vote of 27 to 22 in the Senate at 3:20 a.m., Sunday, July 1. All 23 Senate Democrats and four Republicans voted for adoption of the budget conference committee report (HB 623). The measure, earlier adopted (132-68) by the House, was signed into law by the governor (Act 7A/1990) later that same morning.

Instead of raiding the pockets of taxpayers for more, Pennsylvania's new budget put the brake on spending growth. It was enacted without dipping into the state's \$126 million tax stabilization account, or Rainy Day Fund -- a reserve held as a cushion to prevent future tax increases during times of economic decline.

Key elements of the budget included an overall spending increase of only 1.7 percent, but larger increases in critical areas.

State subsidies for basic education were increased by \$85 million, or 3.2 percent, to a total of more than \$2.7 billion in fiscal 1990-91.

Act 7A provided for a \$50 increase, from \$2,330 to \$2,380, in the Factor for Educational Expense (FEE) portion of the state's complex subsidy formula, known as ESBE. Also, there was a \$10 increase, from \$105 to \$115, in the Average Daily Membership (ADM) allowance for small school districts.

The budget provided a total \$380 million for special education, a 9.1 percent increase over the prior year. Of that amount, \$84 million was earmarked to pay off a special education debt to school districts in four installments during the fiscal year.

State-owned and state-related universities, meanwhile, were slated for a 4.5 percent increase in their instructional subsidies (see Non-Preferred Appropriations). Additional funding was provided through a \$28 million tuition challenge grant program. The universities were to receive an additional \$100 per student for keeping tuition increases under \$100 per student, or six percent, whichever is greater.

Grants to full-time college students through the Pennsylvania Higher Education Assistance Agency were boosted by 10 percent, to \$140 million.

Community colleges received a 12.5 percent increase in funding to more than \$124 million.

In the human services area, the budget included a 19 percent increase in funding, to a total of \$190.6 million, for county-operated children and youth service programs. Community-based services for the mentally retarded were increased by nearly 13 percent to \$104.4 million.

State funding for domestic violence and rape crisis programs was increased by 30 percent to more than \$8.2 million.

The budget doubled funding, to \$7.5 million, for an expansion of the senior citizen Transitional Care and Family Caregiver program. Under the program, designed to keep senior citizens at home instead of in institutions, family members are given the help they need to care for older relatives. Also, the budget included a \$10.3 million, or 20 percent, increase -- to \$61.8 million -- for senior citizen personalized services under the state's PennCARE program.

On the economic development front, the budget maintained the state's commitment to boost job creation by finally utilizing the remaining \$117 million of a voter-approved \$190 million economic development bond issue. Although the bond issue was approved by Pennsylvania's voters more than six years ago, the state -- up till now -- had used mostly general fund tax dollars, coupled with \$73 million of the bond authorization, to finance Pennsylvania Economic Revitalization Fund (PERF) job creation initiatives. Final utilization of the authorization was in keeping with what Pennsylvania's citizens overwhelmingly approved in April, 1984.

Receiving a double-digit increase in the budget was the state's Department of Corrections. Boosted by some \$36 million or nearly 11 percent, the department's new budget of \$369 million will facilitate the hiring of some 720 new guards and other personnel. Additionally, the legislature approved a separate proposal to significantly expand the state's overcrowded prison system (see Prison System Expansion below).

Another element of the budget continued the state's anti-drug "Pennfree" initiative at a funding level of \$59.5 million in fiscal 1990-91.

In the area of transportation, a total of \$239.7 million was allocated for mass transit assistance with the bulk of the funds, nearly \$168 million, going to the state's largest system -- the Southeastern Pennsylvania Transportation Authority (SEPTA). A total of \$60.7 million was provided Port Authority Transit (PAT) of Pittsburgh. The remainder was to be divided among 19 much smaller systems throughout the commonwealth.

Also included in Act 7A was a \$1.6 billion (\$1,589,136,000) Motor License Fund budget, financed largely by fuel taxes and various road user fees. The total is about \$17 million more than the previous year. The budget included \$627.2 million for highway maintenance, \$167 million for highway construction and \$158 million for local road maintenance and construction payments in fiscal 1990-91.

*** **Prison System Expansion** -- While the 1990-91 state budget provided for a major boost in funding for the operation of the state Department of Corrections, the final budget agreement also included the General Assembly's enactment of a far-reaching prison expansion bill (HB 2116), signed by the governor (Act 71, 1990).

The legislation was viewed as a beefed up attempt by both the governor and the General Assembly to deal with the vexing problem of prison overcrowding throughout the state.

In addition to expanding the state's prison system capacity by more than 5,600 new cells, the legislation called for a \$200 million state bond issue to help counties finance local jail repair, construction, reconstruction, rehabilitation and expansion projects.

Approved by voters in a statewide ballot referendum November 6, 1990, the bond issue will enable the state to provide matching grants to counties for local jail construction projects.

The legislation, meanwhile, authorized the construction of four new state prisons and the expansion of others to increase state prison system capacity by a total of 5,612 new cells. Each of the four new state correctional institutions was to consist of 1,000 cells.

One maximum security prison was to be located in Greene County while a medium security facility was to be sited in Clearfield County. Locations for the remaining two new state prisons, medium security facilities, were not designated by the legislation. Three of the new state prisons were to be constructed by private developers and operated by the state under a lease-purchase agreement while the fourth was to be built under standard capital budget construction procedures.

*** **House Transfer, Fees; Military Base Prohibition** -- Approved as part of the final 1990-91 budget accord was legislation (HB 406, Act 67/1990) shifting \$27 million in surplus funds from the House of Representatives back to the General Fund and providing for an increase in various fees to cover the actual cost of document filing, certain inspections, licenses and permits. The fee increases were expected to generate approximately \$12 million.

The legislation also contained a provision prohibiting the use of military installations in Pennsylvania for the housing of prisoners.

*** **Fund Transfers** -- Passed as part of the 1990-91 budget compromise was House Bill 2618 (Act 68/1990) which authorized the transfer of \$125 million in surplus revenues from the State Workmen's Insurance Fund (SWIF) to the General Fund for in-lieu-of tax payments to the commonwealth from 1985 through June 30, 1990. Under terms of the legislation, agreed to by the executive branch and the Pennsylvania Chamber of Business and Industry, an additional transfer of \$37 million was also anticipated during fiscal 1990-91. Also in keeping the administration's agreement with business leaders, the legislation contained language that would allow for an expected 15 percent premium reduction for companies insured with SWIF.

Even with the SWIF transfers, the State Workers Insurance Fund -- an insurer of "last resort" for businesses that have difficulty in securing workers' insurance in the private sector -- was expected to have an unassigned surplus of \$127 million.

A similar \$95 million SWIF Fund transfer was authorized in the prior year (HB 1687, Act 9A/1989) as was an \$11.7 million transfer from the state's Unemployment Compensation Interest Fund (HB 1020, Act 22/1989). Not to

be confused with the state's \$1.5 billion UC Trust Fund, the UC Interest Fund was established years ago to make interest payments on the state's long-standing Unemployment Compensation debt to the federal government. Since the Casey administration repaid that debt, there was no longer a need for the UC Interest Fund.

*** **Capital Budgets** -- Passed by the General Assembly were various capital budget bills authorizing bond-financed public improvement projects (HB 2556), highway projects (HB 2463, Act 218/1990), bridge projects (HB 235, Act 200/1990) and mass transit capital expenditures (HB 2470, Act 117/1990).

House Bill 2556 itemized project authorizations totaling nearly \$2.2 billion (\$2,161,738,100) with \$1,178,183,000 for public improvements, \$47,487,100 for furniture and equipment, \$279,009,000 in transportation assistance, \$137,555,000 for flood control and \$519,504,000 in redevelopment assistance. While the governor signed the bill into law, he line-item vetoed certain projects.

House Bill 2463 detailed highway improvement project authorizations totaling nearly \$2.9 billion (\$2,884,676,000).

House Bill 235 included authorization for bridge repair, rehabilitation and replacement projects totaling more than \$4.2 billion (\$4,228,748,950).

House Bill 2470 authorized \$75,548,000 for mass transit improvement projects and \$1,278,000 for public improvement projects. A large chunk of that authorization was for an overhaul of transit and rail vehicles operated by the Southeastern Pennsylvania Transportation Authority or SEPTA, \$35 million, and by Port Authority Transit (PAT) of Allegheny County, \$13.7 million. A total of \$4.5 million was authorized for the overhaul of vehicles operated by other local mass transit agencies in Pennsylvania.

Additionally, the legislation called for a total of \$22.3 million for various improvement projects at 39 municipal airports throughout the state.

And the legislation included \$1,088,000 for heating and lighting improvements at the State Farm Show Complex in Harrisburg.

*** **Non-Preferred Appropriations** -- Enacted were 40 so-called non-preferred appropriations bills (HBs 2515-2554), which became Acts 13A-52A/1990, providing more than \$608 million (\$608,466,000) to state-related and state-aided colleges and universities, health and charitable institutions, and museums in fiscal 1990-91.

The bulk of the total went to institutions of higher education and, in particular, to Pennsylvania's four state-related universities as follows: Penn State (\$243,635,000), Pitt (\$133,822,000), Temple (\$136,518,000) and Lincoln (\$9,896,000). The largest non-state related higher education appropriation was \$37,628,000 for the University of Pennsylvania.

*** **"Sunny Day" Awards** -- As recommended by the governor, the General Assembly in 1989-90 approved a total of \$54.5 million in Sunny Day Fund appropriations for business startups and expansions around the commonwealth.

The special low-interest loans were expected to result in the creation of more than 5,000 new jobs.

Senate Bill 516 (Act 53A/1990), approved near the end of the two-year session, provided \$6.5 million in financing as follows:

-- \$4 million to Koppel Steel Corporation for the purchase of machinery and equipment at its steel works and rolling mills facilities in Beaver County, expected to create 650 new jobs; and

-- \$2.5 million for the construction of a Consolidated Rail Corporation customer service center in Allegheny County, expected to create 400 new jobs.

Enacted earlier was House Bill 2571 (Act 12A/1990) which provided for a total of \$38 million in Sunny Day loans as follows:

-- \$10 million for the location of Sony Corporation at the old VW plant in Westmoreland County, expected to create 1,000 new jobs;

-- \$5 million to May Department Stores Company for the establishment of a regional distribution center in Wilkes-Barre, expected to create 350 new jobs;

-- \$2.5 million to Ambridge Marine Inc. for the establishment of a manufacturing facility in Ambridge Borough, Beaver County, expected to create 350 new jobs;

-- \$3 million to Enzymatics, Inc. to purchase machinery and equipment for its manufacturing facility in Montgomery County, expected to create 332 new jobs;

-- \$9 million to Children's Hospital in Philadelphia to establish a research and development center, expected to create up to 600 new jobs; and

-- \$8.5 million to Centocor, Inc. to renovate and expand its pharmaceutical manufacturing facility in Malvern, Chester County, expected to create up to 1,000 jobs.

In 1989, the General Assembly approved a \$10 million Sunny Day loan (HB 2125, Act 51A/1989) to Piper Aircraft for the reestablishment of operations in Lock Haven, Clinton County -- a project which was expected to create 670 new jobs.

The state's Sunny Day Fund, first established in 1985, provides low-cost financing to encourage major job-producing businesses to locate or expand their operations in Pennsylvania. Projects for Sunny Day funding must be recommended by the governor and win at least a two-thirds vote of approval in both houses of the General Assembly.

*** **Sunny Day Extension** -- Enacted was a bill (HB 2579, Act 6A/1990) extending the time period for the award of Sunny Day funds for Glass Adventures Inc., renamed U.S. Glass Inc., from June 30, 1990 to June 30, 1991. The company was approved for \$6 million in Sunny Day financing in 1988 for the location of a glass manufacturing facility at Donora, Washington County. The project was expected to result in 500 new jobs within three years of the facility's operation.

*** **PUC, Consumer Advocate: Small Business Advocate Budgets** -- At approximately 4 percent more than the previous year's funding level, the Public Utility Commission's 1990-91 operating budget was set at \$31,276,000 by House Bill 2312 (Act 9A/1990). The legislation, however, designated that \$4.6 million of the total be appropriated to the PUC's Bureau of Safety and Enforcement. The legislation appropriated \$411,000 to pay for the salaries and expenses of the PUC commissioners -- \$65,000 below what was appropriated for that part of the PUC budget in 1989-90.

House Bill 2313, which became Act 10A/1990, established a \$3,173,000 operating budget for the Office of Consumer Advocate in fiscal 1990-91. That compares with \$2,964,000 in 1989-90.

Also passed without fanfare was House Bill 2314 (Act 2A/1990) which provides \$483,000 in fiscal 1990-91 for the state's Small Business Advocate.

The Office of Consumer Advocate represents average citizens in utility rate cases before the Public Utility Commission while the state's Small Business Advocate represents small business concerns in many of the same cases. Although the legislature establishes the budgets for the PUC, the Office of Consumer Advocate and the Small Business Advocate, funds for their operations come from assessments on public utilities.

*** **Miscellaneous Budgets** -- Enacted were a series of bills providing for an \$8,294,000 budget for the administration of the State Employees' Retirement System in 1990-91 (SB 1544, Act 4A/1990), a \$14,385,000 budget for the administration of the Public School Employees' Retirement System in 1990-91 (HB 2462, Act 3A/1990), a \$19,789,000 budget for the administration of the state's workers' compensation program in 1990-91 (HB 2458, Act 11A/1990), a \$14,287,000 operating budget for the Bureau of Professional and Occupational

Affairs, the state Board of Medicine, the state Board of Osteopathic Medicine, the state Board of Podiatry and the state Athletic Commission in 1990-91 (SB 1547, Act 8A/1990); and an appropriation of \$60,000 from the Fish and Boat Funds to pay debt service obligations of the two funds in fiscal 1990-91 (SB 1549, Act 5A/1990).

Funding for the operation of both the state employees' and school employees' retirement systems comes from earnings on investments, while the administration of the workers' comp program is funded by assessments on insurers and self-insurers. Funding for the operation of the Bureau of Professional and Occupational Affairs and other professional boards comes from fees and fines on licensees.

*****"V" 1989-90 Supplemental** -- In what is usually a routine, bipartisan practice of passing a governor's supplemental appropriations budget request toward the end of every fiscal year, Senate Republicans turned the process in the Spring of 1990 into a full-fledged political football that had the effect of delaying vitally important medical assistance payments to hospitals for the care of low-income patients.

On a vote of 27 to 21 on May 1, 1990, with Senate Democrats voting in the negative, the Senate GOP passed a bloated 1989-90 supplemental appropriations bill (SB 904) that contained \$36 million more than what the state had the ability to afford.

Because of the Senate GOP additions to the administration-backed, House-passed \$136.7 million supplemental appropriations bill, the legislation -- which eventually became Act 1A of 1990

-- didn't arrive on the governor's desk until May 22. Payments to hospitals were interrupted during the week of May 7. In the end, the governor simply line-item vetoed the overspending proposed by Senate Republicans.

*** **"Tax Increment" Economic Revitalization Tool** -- In a further attempt to revitalize blighted neighborhoods in urban areas of the state and promote economic development, the General Assembly unanimously approved and Governor Casey signed legislation (HB 2179, Act 113/1990) providing for a new funding mechanism for redevelopment projects. Under the proposal, redevelopment authorities would be able to issue tax increment bonds to finance capital improvement projects in so-called tax increment districts. The tax increment financing would be based on revenues anticipated from tax dollars generated within the district after it undergoes redevelopment. New tax revenues generated after redevelopment would retire the tax increment bonds.

"V" Widows' Tax Repeal -- Legislation (SB 775) providing for an across-the-board elimination of the state's so-called widows' tax passed both houses of the General Assembly but was vetoed by Governor Casey.

A motion to override the governor's veto, which requires a two-thirds majority of 34 votes in the Senate, failed on a vote of 27 to 18.

In his veto message, Casey said that the legislation to totally repeal the state's six percent inheritance tax on interspousal transfers of property actually amounted to "a huge giveaway to the rich, masquerading as a bill for the poor." He noted that property held jointly or in the name of both spouses is already exempt from the state's inheritance tax. Most lower and middle-income couples, the governor said, own their homes and other assets jointly and, therefore, will pay no inheritance tax when one spouse dies. "Some of the wealthiest people in Pennsylvania", according to Casey, would be the primary beneficiaries of an across-the-board repeal of the tax.

Senate Bill 775 would have reduced the inheritance tax on interspousal transfers of property, beginning on July 1, 1991, by one percent annually until July 1, 1996 when the levy would have been totally eliminated.

By 1996, total repeal of the levy would have resulted in an estimated \$60 million annual revenue loss to the state.

Instead of Senate Bill 775, Casey has urged the General Assembly to send him another measure that provides relief "to those people for whom this tax constitutes an unconscionable economic burden at the traumatic time of loss of a spouse."

"V" Video Poker -- In an effort to offset the need for increases in municipal and school district real estate taxes, the Senate voted (28-20) to send Governor Casey a bill (SB 1136) that -- subject to local voter approval -- would

have permitted video poker machines in liquor-licensed restaurants, bars, hotels or clubs. The bill was vetoed by the governor.

Under the measure, which had earlier passed the House (107-88), municipalities and school districts would have split profits generated by video poker with machine owners, licensed liquor establishments, the state Lottery and the state attorney general's office.

The machines would only have been permitted in a municipality if approved by local voters in a referendum -- a fact skirted in the governor's veto message.

No one under the age of 21 would have been permitted to play the machines.

The legislation would have established a five-member Video Poker Machine Control Commission to oversee licensing and regulation of video poker. The measure contained a list of licensing fees including \$300 annually per machine for licensed establishments. No more than three machines would have been permitted per establishment.

The proposal required that the video poker machines have a win -- or payout -- percentage of at least 80 percent. The machines would not have directly dispensed cash. Winners would have received credit tickets or receipts for free games or for redemption into cash. Individual cash rewards could not have exceeded \$500.

Profits generated from the machines would have been divided as follows: 34 percent for machine owners, 34 percent for the establishment, 14 percent for the local municipality, 11 percent for the local school district, 5 percent for the state's senior citizen Lottery Fund and 2 percent for the state Attorney General.

The bill also stipulated that \$1 million annually be designated for the treatment of compulsive behavior.

*** **Games of Chance** -- The Senate concurred (37-11) in House amendments to a bill (SB 1140, Act 195/1990) allowing additional not-for-profit civic and community service organizations to conduct "small games of chance" for fund-raising purposes.

The General Assembly first authorized small games of chance for volunteer fire and ambulance companies, veterans groups, religious and charitable organizations in 1988.

Awaiting the governor's action as of this writing, Senate Bill 1140 would permit auxiliary groups, such as band and football boosters, sportsmen's groups and others, to conduct small games of chance. Certain groups that do not own or lease buildings or do not have liquor licenses would also be eligible to conduct games.

*** **Tax Replacement; Employer Credits; Realty Tax Exemption** -- On votes of 29 to 20 in the Senate and 104 to 96 in the House, the General Assembly adopted and the governor signed a conference committee report on legislation (HB 285, Act 21/1989) providing for a replacement levy for the state's bank shares tax which was invalidated by the state Supreme Court in February, 1989.

The legislation also extended for a longer period of time a higher mutual thrift tax rate established in the 1987-88 legislative session to make up for revenue lost as a result of a separate, but similar, 1987 court ruling affecting taxes paid by savings and loan associations.

Companion measures to House Bill 285 were also enacted. House Bill 31, which became Act 20/1989, established a procedure and time frame for banks which were due refunds as a result of the court's ruling to file an appeal with the state Board of Finance and Revenue. House Bill 1373, which became Act 23/1989, established a tax credit for banks which were not in existence before January 1, 1979. The credit was intended to aid banks that were being forced to pay a higher tax even though they were not chartered when the unconstitutional tax was in effect and were not due any refunds.

Meanwhile, another provision of House Bill 1373 extended, until June 30, 1993, a program of tax credits to businesses that hire welfare recipients as well as individuals who receive Aid to Families with Dependent Children

(AFDC). The program, which first began in 1982, entitles employers to a state tax credit of up to \$3,600 for each cash assistance or AFDC recipient they employ over a three-year period.

The conference report on House Bill 285 also contained a provision to exempt certain land transfers designed to protect open-space and preserve historic, recreational, scenic or agricultural areas from the state's realty transfer tax.

*** **Brewers' Tax Credit, Farmers' Tax Filing; Clergy Tax Withholding Exemption** -- The General Assembly passed and the governor signed a measure (HB 1435, Act 110/1989) reenacting a special tax credit to assist the state's beer industry, providing for a more convenient state income tax filing schedule for farmers, and eliminating state income tax withholding for members of the clergy.

The beer industry tax credit, which was first enacted in 1974, actually went out of existence on December 31, 1988 -- just days after Governor Casey, on constitutional grounds, had vetoed an earlier extension bill (SB 114/1988) approved by the General Assembly. The earlier bill would have applied the tax credit to only brewers with headquarters in Pennsylvania, a provision Casey contended violated the Commerce Clause of the United States Constitution.

The new law, which has the effect of extending the credit until December 31, 1993 and making it retroactive to 1974, does not contain the requirement that brewers receiving the credit must be headquartered in Pennsylvania. It does, however, stipulate that the tax credit, up to a maximum of \$200,000 annually, be for the purchase of plant, equipment and machinery for use in Pennsylvania. Additionally, the credit is only available to those brewers with an annual production of 300,000 barrels or less.

Also enacted as part of House Bill 1435 was a long-sought provision, supported by the Pennsylvania Farmers Association, to make it easier for farmers who also hold other non-farming jobs to declare themselves as self-employed, make estimated tax payments, and not have state income tax withheld from their wages.

Specifically, the change in the law allows farmers with at least two-thirds gross income from farming (previous law stipulated at least two-thirds "taxable" income from farming) to file an estimated tax any time on or before January 15 of the succeeding year or file a final return and pay the entire tax by March 1.

The new legislation also conformed state and federal law so that state income tax is not required to be withheld from compensation for certain services when federal income tax is not required to be withheld. While the measure was not intended to reduce anyone's tax liability, it eliminated a requirement of withholding of state income tax from compensation for members of the clergy, certain agricultural labor, domestic service and delivery of newspapers by persons under the age of 18.

*** **Tax Audit for Drug Convicts** -- Legislation (SB 625) intended to encourage state audits of tax returns of persons convicted of selling, distributing, delivering, manufacturing or possessing illicit drugs was enacted (Act 98/1989).

The new law requires the clerk of courts of each county to report the names of individuals convicted of selling or possessing illegal drugs valued at more than \$1,000 to the state Department of Revenue.

*** **Electronic Funds Transfers** -- Passing the General Assembly was a bill (SB 1324) signed by the governor (Act 134/1990) providing for electronic or wire transfer of business-related tax payments in excess of \$20,000. The measure, supported by the state treasurer, will enable the state to garner immediate interest earnings on large tax payments -- earnings that previously were lost when the payments were sent by mail. The new law also enables taxpayers owed refunds in excess of \$20,000 to receive those refunds via electronic funds transfers as well.

* **Late Payments to Municipalities** -- Legislation (SB 374) that would have required the state to pay interest to municipalities for late payments of funds the commonwealth owes municipalities cleared the Senate (49-0) but died in the House.

* **Fund-Raising Sales Tax Exemption** -- Passing the Senate (50-0) was a bill (SB 365) that would have exempted fund-raising sales conducted by school-related organizations, such as parent teacher organizations (PTOs) and home and school councils, from the state's six percent sales tax. Similarly, sales of items sold by volunteer fire companies and ambulance and rescue organizations would also have been sales tax exempt under the measure. Final House action never materialized.

* **Silver & Gold Sales Tax Break** -- The retail sale of gold, silver or other coins, or gold and silver bullion, would have been exempt from the state's six percent sales tax under a measure (SB 1008) which cleared the Senate (31-17). The legislation, which could have resulted in a \$9 million annual revenue loss to the state, died in the House.

* **Horse Sales Tax Exemption** -- Over the objections of Senate Democrats, Senate Republicans voted (27-22) to pass a special interest tax exemption bill (SB 1396) that would have cost the state \$3.5 million in lost revenue in fiscal 1990-91. Under the measure, the sale of horses and feed, supplies and other equipment used in the care of horses would be exempt from the state's six percent sales tax. The bill was not considered by the House.

* **Prefab/Mobile Home Sales Tax Reduction** -- Again over Democrat objections, Senate Republicans passed (27-22) a fiscally irresponsible bill (SB 1116) that would have cut the state sales tax rate on purchases of prefab housing and modular and mobile homes from 6 percent to 3.6 percent. The measure, while potentially for a laudable purpose, would have resulted in an unbudgeted state revenue loss of \$14.6 million in fiscal 1990-91.

* **Volunteer Firefighter Retirement Benefits** -- Passed (48-0) by the Senate was a bill (SB 403) that would have given volunteer fire companies the option of establishing retirement benefit plans for their members. The bill died in the House Local Government Committee.

* **Cigarette Tax Designation** -- A portion of the state's cigarette tax would have been designated to assist volunteer fire companies under a bill (SB 715) passed by the Senate (50-0).

Under the proposal, slightly more than half a penny (\$.0055) of the state's 18 cents per pack tax on cigarettes (approximately \$6.9 million annually) would have been designated for a Volunteer Fire Company Challenge Grant Program. State matching grants of up to \$2,500 would have been awarded based on the success of a fire company's local fund-raising effort. The House did not act on the bill.

*** **Fire Tax Distribution** -- Enacted was a measure (SB 929, Act 119/1990) changing the distribution formula of funds from the state's foreign fire insurance premium tax. The change was designed to permit some additional funding for volunteer fire companies in approximately 33 municipalities.

* **Aid to Long-Time Volunteers** -- Passed (50-0) by the Senate was a bill (SB 1506) providing for financial assistance to long-time volunteer fire fighters who have reached the age of 65. The bill would have allowed volunteer firemen's relief associations to use revenues generated by the state's tax on foreign fire insurance premiums to provide assistance to elderly volunteers who have 20 years of active service. The bill died in the House.

*** **Ben Franklin's Will** -- Unanimously passed by the General Assembly was legislation (SB 1135, Act 173/1990) that would appropriate monies left to the commonwealth in the wills of Benjamin Franklin and Scottish druggist John Scott. Franklin, who died in April 1790, left bequests to Philadelphia and Boston as well as to the states of Pennsylvania and Massachusetts to be distributed at 100 and 200 year intervals after his death.

Under Senate Bill 1135, an estimated \$1.7 million will be divided equally between the Franklin Institute in Philadelphia and Commonwealth Community Foundations for the purpose of supporting educational and employment training programs throughout the state.

* **Philly Wage Tax Political Ploy** -- Senate Democrats objected as the Senate Republican majority voted (27-21) to pass a bill (SB 1580), sponsored by the two members of the Republican caucus from Philadelphia, designed to handcuff Philadelphia's ability to solve its own fiscal problems.

The measure, motivated by the political goal of trying to make a Democrat-turned-Republican Philadelphia senator look good to his constituency in an election year, would have capped the Philadelphia wage tax rate for city residents at its current level of 4.96 percent. The popular sounding proposal -- pronounced "DOA" upon arrival in the Democrat-controlled state House -- would actually have had the effect of limiting the city's taxing options; thereby adversely affecting the city's already shaky credit rating on Wall Street.

* **State Funds for Federal Program** -- Without saying what existing state programs they would cut or what taxes they would increase, Senate Republicans pushed through (28-19) a bill (SB 1259) to spend millions in state tax dollars to fill the gap in the federal government's underfunding of the Head Start program for low-income children in Pennsylvania. The bill would have cost the state \$5.8 million in fiscal 1990-91 and more than \$29 million annually by fiscal 1994-95. Action in the House never materialized.

* **Cancer Research Check-Off** -- Clearing the Senate (50-0) was a bill (SB 121) that would have established a check-off system on state income tax returns allowing taxpayers to donate one dollar of any state tax refund they are owed for cancer research. The bill, which never passed the House, had been amended in the House to permit riverboat gambling.

* **Housing Co-op Transfers** -- Passing the Senate (49-0) was a bill (SB 332) that would have exempted certain transfers of ownership, stockholder or membership interests in cooperative housing units from the state's realty transfer tax. Final House action never materialized.

** **"MacBride Principles"** -- Clearing the Senate in the form of an amendment to a House-passed bill (HB 1069) was a proposal to restrict future investment by the state employees' and public school employees' retirement systems in companies that practice religious job discrimination in Northern Ireland.

The measure would have resulted in the state's adoption of the so-called "MacBride Principles" -- a set of nine guidelines of equal employment opportunity designed to encourage companies in Northern Ireland to end alleged ethnic and religious discrimination in employment and hiring practices. The guidelines are named after Nobel Peace Prize winner Sean MacBride.

This and other provisions of House Bill 1069, however, failed to win enactment as the House did not act to concur in Senate amendments to the bill.

* **Early Retirement** -- Clearing the Senate (50-0) was a bill (SB 364) that would have allowed an estimated 340 state Board of Probation and Parole officers and some 190 law enforcement personnel within the state attorney general's office to retire at age 50 with full benefits from the State Employee's Retirement System. A similar "early retirement" benefit is already in existence for state police officers, state correctional officers and LCB enforcement officers and investigators. With the exception of an existing early retirement "window" for state employees who have reached the age of 53 and have 30 years of service, the normal state employee retirement age for full pension benefits is age 60. Senate Bill 363 died in the House.

* **Retiree Substitute Teaching** -- Passing the Senate (50-0) was a bill (SB 258) that would have increased the number of days a retired teacher may substitute without losing pension benefits from 75 days per school year to 90 days. Final House action never materialized.

* **District Justice Buy Back** -- The Senate passed (50-0), but the House never took final action on, a measure (SB 287) that would have allowed an estimated 270 district justices who are now members of the State Employees Retirement System (SERS) to buy back as creditable time their service as justices of the peace prior to 1970. A 1968 constitutional amendment paved the way for district justices to be considered state employees and therefore members of SERS.

* **Cadet Nurse Buy Back** -- The Senate passed (48-0) a bill (SB 266) that would have allowed members of the Public School Employees Retirement System to buy back time spent in training in the Cadet Nurse Corps as creditable nonschool service. The bill died in the House.

*** **Federal Lien Filing** -- Enacted was a bill (HB 709, Act 69/1989) providing for a uniform system for the filing of all federal liens. The new law authorizes the filing of federal tax liens as well as other federal liens on property in the prothonotary's office of the county in which the property is located.

*** **Fish Hatcheries** -- Signed by the governor was a bill (HB 2725, Act 162/1990) authorizing \$2,630,000 from the state's Fish Fund for fish hatchery capital improvement projects in Clinton, Erie and Forest Counties.

-- EDUCATION --

*** **Drug Education; Teacher Background Checks** -- Students in grades kindergarten through 12 will be taught about the dangers of drug, alcohol and tobacco use under legislation (HB 1810, Act 211/1990) overwhelmingly approved by the General Assembly. The measure also addresses a variety of other educational issues, including background checks for school employees, and day care centers in school buildings.

The drug, alcohol and tobacco use instruction will be integrated, where possible, into existing health courses and will be required in all grades in all public elementary and secondary schools beginning in the 1991-92 school year.

The legislation also amends existing law requiring background checks to allow Pennsylvania residents to work on a provisional basis for up to 30 days while a background check is under way (out-of-state residents could work for 90 days). Provisional workers could not be employed during a strike.

Additionally, the measure makes it easier to operate day care centers in school buildings. Such centers are to be "deemed" to comply with state Department of Public Welfare regulations concerning physical site requirements.

House Bill 1810 also provided for higher education equipment grants and authorized continued operation of the Thaddeus Stevens State School of Technology.

*** **Student Steroid Use Prohibited** -- Enacted was a measure (SB 454, Act 93/1989) requiring schools throughout the commonwealth to prohibit the use of anabolic steroids, except for valid medical purposes, by any pupil involved in school-related athletics. Body building, muscle enhancement, increasing muscle bulk or strength or the enhancement of athletic ability would not be a valid medical purpose. Minimum penalties for violation of the ban include suspension from school athletics for the remainder of the season on a first offense, for the remainder of the season and the following season for a second offense, and permanent suspension for a third violation.

The legislation also requires schools to include education regarding the dangers of anabolic steroids with other drug and alcohol education programs.

*** **Telephone Pager Ban** -- Public school students cannot possess telephone paging devices or beepers under legislation

(HB 810) signed into law as Act 103 on Dec. 22, 1989.

Authorities contend that such devices have been used by students hired as drug runners.

School districts may allow exceptions for students who are members of volunteer fire companies, ambulance associations or rescue squads; and for students who need pagers due to the medical condition of an immediate family member.

*** **ESBE Formula** -- Changes in the Equalized Subsidy for Basic Education (ESBE) for fiscal 1990-91 were provided for in the state budget bill (**See Budget & Finance, HB 623, Act 7A/1990**).

In the prior 1989-90 fiscal year, a separate ESBE measure (SB 252, Act 43/1989) was enacted. That legislation, for the first time, fully funded at a 100 percent level the state's commitment to schools through ESBE.

Act 43 of 1989 also repaid a \$99 million debt to school districts for special education costs, changed the mid-term appointment process for school directors, clarified eligibility requirements for higher education equipment grants,

added the position of business administrator to the school code, made group health insurance available to some school retirees and changed the Approved Private School funding formula.

The legislation requires school districts to use the same mid-term appointment process as municipal governments. Vacancies in municipal government must appear on the ballot if they occur 60 days prior to a municipal election. School board vacancies under prior law did not have to appear on the ballot unless they were filled 60 days prior to an election.

*** **PHEAA Scholarship Increase** -- An increase in scholarships awarded through the Pennsylvania Higher Education Assistance Agency was authorized by legislation signed into law as Act 80 on Dec. 20, 1989.

House Bill 689 permits annual scholarships of up to \$2,500 if sufficient funds are available. The previous limit was \$2,000.

*** **Professional Standards and Practices Commission** -- Legislation which re-established the Professional Standards and Practices Commission was signed into law as Act 71 on Dec. 14, 1989.

Senate Bill 253 changed the commission's membership and gave it disciplinary powers over the state's teachers, administrators and educational specialists.

The commission will discipline professional educators found guilty of immorality, incompetency, intemperance, habitual use of drugs or narcotics, cruelty, negligence or violation of the certification law. It will establish procedures for conducting disciplinary hearings.

Disciplinary actions will include private or public reprimands and the suspension or revocation of teaching certificates.

The commission may also make recommendations to the State Board of Education.

*** **Early Intervention Services** -- Unanimously passed in both the Senate and House was legislation (HB 1861, Act 212/1990) to create a comprehensive statewide program of early intervention services for children.

The multidisciplinary, interagency program created under the measure was to include the earliest possible intervention; referral services for families of eligible children; continuing assessment of at-risk children and descriptions of all agencies providing early intervention services.

The Department of Welfare will distribute funds to county mental health/mental retardation offices for services to children from birth to age 2. The Department of Education is responsible for services to children from age 3 until they reach a school district's minimum age for admission to first grade.

The legislation created a 15-member Interagency Coordinating Council to make recommendations concerning the state's early intervention programs.

*** **English Fluency** -- Pennsylvania institutions of higher education must certify that their instructors are fluent in English under legislation (SB 539) signed into law as Act 76 on July 9, 1990.

The fluency requirements will be enforced by the Department of Education. Institutions which fail to certify their instructors' English fluency will be fined \$10,000 for each course taught by an uncertified faculty member.

Courses taught predominately in a foreign language would not be affected by the legislation.

*** **Adult Literacy Eligibility** -- People who have graduated from high school or have a General Education Development (GED) diploma will be eligible for adult literacy programs under a bill signed into law as Act 44 on May 31, 1990.

Adult literacy programs were previously open only to people who did not have a high school diploma or its equivalent.

House Bill 98 also changed the criteria used to evaluate proposals for adult literacy programs and added a requirement that the Education Department provide outreach and referral activities.

*** **Library Aid to Distressed Municipalities** -- Legislation which helps local libraries supported by economically distressed municipalities qualify for basic equalization aid was signed into law as Act 18 on June 30, 1989.

Senate Bill 842 allows such libraries to qualify for aid even if they fail to maintain or exceed their financial effort from the preceding year. Aid is approved if the State Librarian accepts evidence that the library or municipality did not attempt to substitute state funds for local effort.

* **Mobile Classrooms** -- The Senate unanimously approved legislation which would have provided partial reimbursement for mobile classrooms. Senate Bill 257 based the reimbursement on the lower of either the actual cost of the classroom or the product of the rate pupil capacity times \$1,100.

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

*** **Higher Education Equal Opportunity Act** -- Part time students can receive assistance through the Higher Education Equal Opportunity Act under legislation (HB 691) signed into law as Act 41 on July 7, 1989.

The act previously applied only to full time students. It provides economically, culturally or academically disadvantaged students with programs such as remedial learning services, counseling and tutoring.

*** **Engineering School Equipment Act** -- The General Assembly approved three bills which extended the Engineering School Equipment Act. House Bill 1302 -- signed into law as Act 53 on July 11, 1989 -- extended the act until June 30, 1990. House Bill 2465 -- signed into law as Act 72 on July 1, 1990 -- would have extended the act until June 30, 1990, but it was signed a day late. Senate Bill 1825, Act 177/1990, extended the act until June 30, 1993.

*** **Pennsylvania College of Technology** -- Legislation

(HB 1086) which allowed Williamsport Area Community College to become the Pennsylvania College of Technology was signed into law as Act 27 on July 1, 1989.

The new college is an affiliate of Penn State.

* **Tuition Account Program** -- Legislation intended to let people buy tomorrow's college tuition at today's prices split the Senate along party lines.

Senate Bill 2 would have created a Tuition Account Program (TAP). The measure would have allowed college tuition credits to be purchased at current tuition rates and redeemed seven or more years later, regardless of the rates then in effect. The bill was approved, 26-22, on a straight party-line vote.

Democrats compared TAP to the ill-fated CAT insurance fund, which faces millions of dollars in unfunded liabilities, and argued that the program would do nothing to contain the skyrocketing cost of college tuition. Democrats also suggested that the Republican TAP program would primarily benefit the wealthy who could afford to make a single lump sum tuition credit payment in advance.

Whether the program would have met federal tax-exempt status was also uncertain.

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

*** **Private Licensed Schools** -- A restricted revenue account was created for license fees, fines and penalties paid by Private Licensed Schools under legislation (HB 1694) signed into law as Act 58 on July 11, 1989. Money paid by the schools previously went into the General Fund.

Money from the new account will be used to pay expenses incurred by the State Board of Private Licensed Schools.

* **Technical Institutes** -- Legislation (SB 398) which would have created a funding mechanism to establish Technical Institutes was approved by the Senate, 32-18.

Intended to provide technical training in specific job skills, the institutes would have been located at area vocational-technical schools and community colleges. The state would have paid one-third of the institutes' cost, up to \$2,700 per student. Local sponsors and students would pay the rest.

The cost of Senate Bill 398 was estimated at up to \$17 million. The bill was in the House Education Committee when the session ended.

* **College Library Grants** -- The Senate unanimously approved a bill which would appropriate \$20 million for grants to libraries of community colleges, state-related institutions, institutions of the State System of Higher Education and independent nonprofit institutions of higher education.

Grants under Senate Bill 899 could be used to acquire books, reference materials, and automation and management systems. The money could also help fund preservation and conservation programs.

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

* **Latch Key Program** -- The Senate unanimously approved legislation which would help public schools establish extended school daycare programs for "latch key" children.

Senate Bill 633 would require the Department of Education to fund demonstration programs for children age 5 through 12. It included a \$1.5 million appropriation.

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

* **Sign Language Courses** -- Courses in sign language could be offered in public and private secondary schools under legislation (SB 699) unanimously approved by the Senate.

The bill would have allowed sign language to be offered as an elective course for credit. It was in the House Appropriations Committee when the session ended.

* **Philadelphia City Controller** -- Legislation which would have expanded the powers of the Philadelphia City Controller was approved by the Senate on a party-line vote (27-23).

Democratic opposition to Senate Bill 605 was based on the bill's merits and on the fact that it was sponsored by a Republican Senator who was seeking election as Philadelphia City Controller. Democrats called the bill a "blatant political power grab" by a candidate for the controller's office.

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

* **"At-Risk" Students** -- Schools would be required to provide programs for students "at-risk" from drug and alcohol abuse under legislation unanimously approved by the Senate.

Under Senate Bill 614, schools would have to implement programs to identify and refer students at-risk. The state Department of Education would work with the Department of Health to develop instructional materials to train student assistance personnel.

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

* **Individual Transition Plans** -- Individual transition plans would be required for handicapped students under legislation unanimously approved by the Senate.

Senate Bill 927 would require transition plans for students with mental, physical or multiple handicaps. The plans would help ensure that students are prepared to make the transition from school to community living and employment.

Transition plans would be mandatory beginning at age 14, and would be developed by an interdisciplinary team. The plans would be revised annually until students graduate or reach age 21.

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

*** **Driver Training Vehicles** -- The House and Senate have unanimously approved legislation (SB 933, Act 146/1990) which allows driver training vehicles to remain in service for five years or 50,000 miles, whichever occurs later.

*** **State System of Higher Education** -- Legislation which expands the State System of Higher Education's authority to sell property and undertake maintenance and construction projects -- and creates a non-discrimination policy -- was signed into law as Act 103 on July 11, 1990.

House Bill 1083 will let SSHE directly undertake and administer design, construction, repair, renovation and maintenance projects. It will also allow contracts for professional services from engineers and architects to be awarded through a merit selection process. All other contracts over \$5,000 will have to be bid.

The Department of General Services must be notified about projects which involve buildings erected by the department.

The law requires equal opportunity to educational access, contracting and employment, and requires the system's board to develop a plan to assure nondiscrimination.

* **Nurse Loan Forgiveness** -- The Senate unanimously approved legislation (SB 41) which would create a loan forgiveness program for nurses modeled on the Urban and Rural Teacher Loan Forgiveness Act.

The program would be open to nurses who borrowed money through the Pennsylvania Higher Education Assistance Agency's guaranteed student loan program.

To qualify for the program, nurses would have to be licensed under Pennsylvania law and employed full-time in a Pennsylvania hospital, nursing home or other institution providing medical services. The bill was in the House Education Committee when the session ended.

*** **School Bid Threshold** -- School districts may purchase goods and services valued at up to \$10,000 without advertising for bids as a result of legislation (SB 747) signed into law as Act 38 on May 4, 1990. The current bid threshold is \$4,000. It was last increased in 1982.

School districts must request three price quotations for purchases which exceed \$4,000 but are less than \$10,000.

* **Head Start Funding** -- The Senate approved legislation which would use state funds to fill the gap in the federal government's underfunding of the Head Start program for low-income children in Pennsylvania. The vote was 28-19.

Senate Bill 1259 would have cost the state \$5.8 million in the upcoming fiscal year and more than \$29 million annually by fiscal 1994-95.

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

*** **School Tax Hearings** -- Legislation which will let school district treasurers hold hearings on tax issues before cases are appealed to court was signed into law as Act 23 on April 4, 1990. Senate Bill 1335 also changed Pittsburgh School District's delinquent tax penalties to make the penalties consistent with those assessed by the City of Pittsburgh.

* **Bus Safety Education** -- The Senate unanimously approved legislation which would mandate regular instruction on school bus safety. Students would be taught appropriate behavior while on a school bus and proper procedures to follow when exiting or crossing in front of a bus.

Senate Bill 1432 required that safety instruction be offered as part of the school bus fire and emergency evacuation drills required under existing law. Those drills must be held twice a year.

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

* **Education Support Services System** -- Students at risk would be helped by an Education Support Services System under legislation approved (49-1) by the Senate.

Senate Bill 1630 would let school districts provide a support service system to help students identified as being at risk of not achieving their academic or developmental potential. Districts could receive additional state funding to pay for additional services to at risk students. The estimated maximum cost of the bill was \$4.8 million.

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

-- TRANSPORTATION --

*** **Drivers Get Grace Period** -- The state's new automobile insurance law cracked down on drivers who failed to obtain coverage for their vehicles. Lapsed insurance resulted in thousands of drivers losing their operator's licenses and/or registration tags. Legislation (SB 278) passed in the waning days of the 1989-90 session and signed by the governor

(Act 164/1990) eases this problem by giving drivers a 20-day grace period to purchase or renew insurance coverage before licenses and registrations are suspended. The bill makes the grace period retroactive to July 1, 1990. Those who fail to renew lapsed policies after the grace period face a three-month suspension and a \$50 reinstatement charge.

In view of the Persian Gulf crisis, the legislature granted an exemption to vehicle owners who are members of the armed forces and who are called to temporary active duty. They will have 30 days after returning from duty to obtain insurance if it lapsed during their absence.

This legislation also contains a prohibition against discharging, disciplining or discriminating against an employee who refuses to operate a commercial motor vehicle because the vehicle does not comply with existing safety laws.

SB 278 also amends the Vehicle Code to approve the use of symbols on pedestrian traffic control devices. The word "walk" could be replaced with a "walking person" symbol while the words "don't walk" could be replaced with an "upraised hand" symbol.

*** **Rail Property Disposition** -- Gov. Casey has signed into law legislation (HB 560) which requires a railroad to give local municipalities the opportunity to purchase property previously used as a roadbed right-of-way. If a municipality is not interested, or if the utility rejects an offer, it then is required to offer the property for sale to the state Department of Transportation, the Department of Environmental Resources, the Game Commission or the Fish Commission. The bill was signed by the governor on Nov. 29, becoming Act 151 of 1990.

* **Shared Ride Program Funding** -- Legislation (Senate Bill 1271) that would have boosted spending limitations for county-operated shared ride programs passed the Senate late in the two-year session but failed to receive House action. Had the bill become law, the annual added cost to the Lottery Fund was pegged at \$2 million. An additional \$4 million would have been needed from the General Fund.

* **Funeral Processions** -- The House failed to act on Senate Bill 1350, legislation that would have permitted drivers in funeral processions to proceed through a red traffic signal, or stop sign, if the first vehicle had entered an intersection when a light was green, or if the first vehicle had first come to a complete stop where traffic is controlled by a sign.

*** **Traffic Fines Boosted** -- A defunct CAT Fund with a huge unfunded debt and a rash of accidents in highway construction and maintenance zones triggered legislation in 1989 that lightens the wallets of motorists cited for traffic violations.

Signed into law by the governor were bills that impose surcharges to pay off the state's \$300 million-plus CAT Fund debt and double the fines for moving traffic violations in construction/maintenance work areas.

Senate Bill 274 became the vehicle for legislation creating the Catastrophic Loss Benefits Continuation Fund. Provisions of the bill became effective on July 1, the day it was signed into

law as Act 24 of 1989.

SB 274 provided for surcharges added to fines levied for a variety of moving traffic violations. The state Department of Revenue said the surcharges would net the fund more than \$30 million a year.

Here's an example of how the new law impacts on a motorist's pocketbook: Running a stop sign or red traffic signal previously carried a \$25 fine, plus court costs; plus a \$10 surcharge for the Emergency Medical Services Operating Fund. SB 274 adds \$30 to the total.

For speeding violations, motorists pay a \$30 surcharge if they exceed the maximum speed limit by six to 15 miles per hour; driving 16 to 25 miles per hour over the limit calls for a \$40 surcharge and exceeding the maximum by 26 miles per hour or more adds \$50 to the bill.

Drunk driving violations carry even heftier "fines" under the new law. The penalties range from \$100 to \$300, depending on how many times the offender has been nabbed.

Motorists tagged for overtime or illegal parking won't be hit with a surcharge; these violations are exempted.

When it first passed the Senate, SB 274 amended the Motor

Vehicle Code to permit the hauler of an oversize vehicle or load to carry a special permit in the towing vehicle, rather than requiring the permit to be attached to the truck. The CAT Fund "rescue" provision was amended into the bill by the House and approved by the Senate.

The state-operated Catastrophic Loss Trust Fund (CAT) was abolished by the General Assembly in 1989. Though it was gone, the controversial insurance program wasn't forgotten because it had rolled up an unfunded debt which the governor's office said was \$364 million.

Although the CAT Fund is defunct, motorists still can purchase similar coverage from automobile insurers, thanks to Senate Bill 109 which became law in April, 1989. Insurers are required to offer "extraordinary medical benefit coverage" which can be purchased in increments of \$100,000 up to \$1 million.

An alarming increase in the number of highway construction/ maintenance zone mishaps prompted the passage of Senate Bill 400 which doubled the fines for moving traffic violations in those areas.

The bill, signed into law July 5 as Act 30 of 1989, increased the penalty for illegal passing, reckless driving or following too close from \$25 to \$50. Since the majority of these areas are posted for a 40 miles per hour speed limit, a driver traveling 20 miles per hour over that limit would be fined \$130, double the former \$65 penalty.

According to PennDOT, there were more than 1,500 accidents in work zones in 1988, resulting in 17 fatalities and 1,614 injuries. Nearly half of the fatalities were caused by drivers exceeding the speed limit.

*** **Loans to 'CAT' Fund** -- The defunct Catastrophic Loss Trust Fund remains obligated to pay bills for traffic injuries that occurred through 1989. However, the Catastrophic Loss Benefits Continuation Fund (see above) failed to generate enough money through a surcharge on traffic violations to meet expenses.

To close the gap between income and expenses, the legislature passed Senate Bill 1272 which became Act 70 on July 1, 1990. This bill authorizes loans to the continuation fund from the state Worker's Compensation Security Fund. The administration estimates that the amount needed over the next six years will exceed \$30 million to pay the "extraordinary medical expenses" of "CAT"-covered accident victims. The law gives the administration authority to borrow from the compensation fund when it's determined that the cash balance in the continuation fund isn't enough to pay all bills due. The money will be repaid with interest.

The original intent of SB 1272 was to address a problem posed by persons who drive a motor vehicle over private property, notably farm land. This provision remained in the bill and subjects a person to a \$100 fine if he operates a car or truck on a private road or driveway without the owner's consent. A person damaging property or driving over cultivated land could, upon conviction, be fined \$500 for a first offense and \$1,000, along with a six-month license suspension, for a subsequent offense. Emergency vehicles are exempted from these provisions.

*** **Registration Fee 'Break'** -- Legislation (HB 1294) signed into law (Act 84 of 1990) exempts non-profit organizations for the handicapped and elderly from paying the prevailing motor vehicle registration fee. These groups will be able to register their vehicles for a \$10 processing fee. This provision was amended into the bill by the Senate. Left intact is the original intent of the measure giving local officials the authority to authorize handicapped persons and severely disabled veterans to issue "statements" to persons who improperly use parking spaces reserved for the handicapped. Another section of the bill increases the minimum fine for unauthorized parking in a "reserved for the handicapped" space from \$15 to \$50 and the maximum penalty from \$50 to \$200.

*** **Street Rod Classification** -- House Bill 1921 became Act 60 of 1990 when the governor signed it on June 29. The bill amends the Motor Vehicle Code so that a reproduced vehicle of the 1948 model year or older can be classified as a "street rod".

*** **Language Clarified** -- Legislation (HB 1955) clarifying language in the auto insurance reform law was signed into law on June 30 as Act 63 of 1990. The measure provides for the following:

- > Makes it a misdemeanor if a person obtains a vehicle inspection certificate without proof of insurance;
- > A person is to be charged with a summary offense (rather than a misdemeanor) if he or she fails to properly complete a state inspection record;
- > Requires auto insurance policies to specify whether rental car coverage is provided;
- > Recognizes an insurance department "ID" card, an insurance policy, certificate of financial responsibility, or a binder of insurance as proof of financial responsibility.

*** **Bridge Bill Signed** -- Legislation amending the 1982-83 Highway-Railroad and Highway Bridge Capital Budget Act was signed into law July 11 as Act 56 of 1989. The bill adds hundreds of additional projects to the list of bridges targeted for repair or replacement under provisions of the act, boosting spending authorization to \$3.7 billion. House Bill 756 was amended in the Senate to provide for a special program authorizing PennDOT to use timber in the construction of certain bridges. Senate Bill 702 was similar to HB 756 but the legislature chose to act on the House version.

*** **Letters of Credit** -- House Bill 338 became Act 13 of 1989 when signed by the governor. The measure permits liquid fuels distributors to file letters of credit from a financial institution as acceptable security. Previously, provisions of the Liquid Fuels Tax Act required the distributor to deposit with the state treasurer federal or commonwealth bonds having a par value equal to the surety bond.

*** **Pooled Bus Study** -- Legislation (SB 866) authorizing PennDOT to initiate a study into the condition of buses purchased under the pooled bus acquisition program passed the Senate in June of 1989 and cleared the House in March of 1990. It became Act 19 of 1990 on March 28. The bill authorizes PennDOT to spend up to \$100,000 for the project.

"V" **Road Tax 'ID' Markers** -- Senate Bill 498, which passed the Senate in 1989, would have authorized the Department of Revenue to designate parties to collect fees and issue temporary motor carrier road tax "ID" markers. The measure later became the vehicle for legislation aimed at bringing Pennsylvania into compliance with a 1986 federal law requiring standardized licensing of all commercial drivers in the state. However, the measure, after clearing the House and Senate, was vetoed by the governor because of a "special license" provision. The Senate overrode the veto, but the House sustained it. Provisions of the commercial drivers' bill later were amended into Senate Bill 682 (see below).

*** **Standardized Licensing** -- Pennsylvania's compliance with federal law requiring a standardized licensing system for commercial drivers occurred on May 30, 1990, when the governor signed Senate Bill 682 into law as Act 42. The measure contained most of the provisions of SB 498 (which was vetoed by the governor), with the major language change focusing on a section that determines who can and who cannot obtain a special "bread and butter" license following a suspension.

This bill bars a commercial driver who has been convicted of a major offense (such as drunk driving or accidents in which someone has been killed or injured) from receiving such a license. The prohibition would not apply to drivers convicted of speeding or other moving violations. When the governor vetoed SB 498, he said there were loopholes that would permit truck and bus drivers to obtain a limited-use license even though they had been convicted of a "serious" offense. The new law authorizes the state Department of Transportation to issue or deny the "special" license. Drivers applying for one would have to pay a \$25 fee and take a written or oral test.

The aim of the federal law is to remove problem drivers from the road, improve highway safety, and establish a system that will prevent truck and bus drivers from having a license in more than one state. It stipulates that all states must provide for the testing and licensing of drivers of commercial vehicles (such as trucks and buses) by April of 1992. PennDOT says the re-testing is expected to cost about \$16 million over a four-year period, with some of the expense to be recouped through higher fees for commercial licenses.

The new law also toughens standards for drunk driving, deeming a commercial driver to be considered legally intoxicated if the blood alcohol level is at or above .04 percent. When Senate Bill 682 passed the Senate in June of 1989, it contained language that would subject the owner of a vehicle to the same charges and penalties as the person driving the vehicle who is cited for a violation. This language was deleted from the bill when it became the vehicle for the commercial drivers' legislation.

*** **Drinking Law Amended** -- Senate Bill 681, signed into law June 16 as Act 8 of 1989, amends a 1988 law that took aim at underage drinking. That law called for the suspension of the driver's license of anyone under the age of 21 who is convicted of buying or possessing alcoholic beverages. However, the 1988 law inadvertently provided for a five-point penalty against those losing their driving privileges. SB 681 removed that penalty because arrest and conviction for underage drinking does not involve a traffic violation. Provisions of Act 8 of 1989 are retroactive to May 23, 1988.

*** **Food/Garbage Hauling** -- A Senate-House conference committee resolved differences between the two chambers on legislation (HB 331) that sends a message to trucking companies that use their vehicles to transport both garbage and food: Get caught and you'll be fined and lose your trucks.

This provision was amended into House Bill 331, legislation that more clearly defines the designation of emergency vehicles.

The amending legislation was prompted by disclosure that "backhauling"--the terminology used by the industry to describe the practice of hauling garbage and food on the same runs--was commonplace in most states.

House Bill 331 was signed into law on March 13, 1990, as Act 14. In addition to providing for seizure of a vehicle, the new law sets minimum and maximum fines of \$1,000 and \$10,000 for first offense convictions and even higher penalties--\$5,000 and \$25,000--for subsequent arrests and convictions. Proceeds from the sale of a seized truck would be deposited in the Solid Waste Abatement Fund.

In addition to cracking down on the dual hauling problem, HB 331 also takes aim at haulers whose cargoes spew debris along highways. Under the new law, loose and baled garbage must be properly secured and covered to prevent any material from escaping.

An unrelated provision of HB 331 permits labels or stickers to be placed on school buses if they have been approved by a school board as having "educational value".

* **Stopping for School Buses** -- The Senate passed and sent to the House Senate Bill 1341, legislation amending the Motor Vehicle Code with respect to school buses. This bill makes clear that a driver must stop his vehicle when the red signals of a school bus are flashing. The fact that a bus is not yet equipped with side stop signal arms does not exempt a driver from stopping until the bus moves on. (Note: Act 163 of 1988 requires all Pennsylvania school buses to have the new signal arms installed and in operation by July 1, 1994.) The House did not act on the bill prior to the end of the session.

*** **Turnpike Interchanges** -- Senate Bill 1368, signed into law July 11 as Act 124 of 1990, clears the way for the Pennsylvania Turnpike Commission to construct a private interchange directly connected to the New Cumberland Army Depot. This bill is necessary because the Turnpike Organization, Extension and Toll Road Conversion Act provided only for the commission to negotiate with the U. S. Department of Defense relative to the project. (Note: On July 21, Gov. Casey ordered the start of engineering and design work for the project which carries an estimated cost of \$11 million, with the U. S. Department of Defense providing in excess of \$5 million.) The bill also authorizes construction of a turnpike interchange on the Northeast Extension with state Route 903 in Carbon County.

*** **Senator Honored** -- Senate Bill 1588, signed into law Oct. 12, 1990, as Act 129, designates a portion of state Route 60--also known as the Beaver Valley Expressway--as the "James E. Ross Highway". Sen. Ross, of Beaver County, served in the Senate from 1973 until his retirement in February, 1990.

*** **DUI Law Toughened** -- Senate Bill 1193, signed into law July 11 as Act 122 of 1990, tightens requirements that must be met by persons convicted of drunk driving or driving under the influence of a controlled substance. Language in the bill is specific with respect to first or second and subsequent offenses. A first offense requires successful completion of an approved alcohol highway safety school; a second or subsequent offense requires treatment for alcohol or drug addiction. DUI offenders must satisfy all requirements of a counseling or treatment program before his or her operating privilege is restored. (These "requirements" also include payment of all court-imposed fines and costs as well as fees due for counseling or treatment.)

** **Headgear for Young Bikers** -- A Senate bill (SB 1373) that would have required young bicycle riders to wear a protective helmet became the vehicle for some two dozen amendments in the House and, though passed by that chamber, failed to receive a final review in the Senate. In its original form, the bill's main provision applied to a youngster five years old or younger who is riding as a passenger on a bicycle or in a trailer attached to the bike. The penalty, including assessments and court costs, would not have exceeded \$50.

The Senate version also contained an amendment that would make it a summary offense for leaving a child under six years of age in an unattended vehicle "under circumstances which endanger the health or welfare of the child."

*** **Overcrowding Addressed** -- The governor signed into law as Act 29 of 1990 legislation (HB 704) that addresses, in a small way, prison overcrowding. Prior to this law, a person charged and convicted of a Motor Code violation could, with court approval, pay a fine on the installment plan. However, one's failure to comply with

this agreement could have landed the violator in jail to serve at least one day for each \$10 of the unpaid balance. This bill amends the code to provide a \$40 credit toward the unpaid balance for each day served in jail.

*** **Tinted Windows/Speed Limit Hike** -- Concurrence by the House in Senate amendments positioned House Bill 240 to become law. Deleted by the Senate was a provision that would have allowed the speed limit to be increased from 55 mph to 65 mph on some sections of the Pennsylvania Turnpike. In its final form, the measure approves of tinted windows, or sunscreening, in a motor vehicle if the owner, or a person who is a regular passenger, suffers from a medical condition that warrants the equipment. This bill became Act 137 when signed by the governor on Nov. 21, 1990.

*** **'Chop Shops' Chopped** -- Three bills clearing the legislature in 1990 and signed into law are aimed at clamping down on "chop shop" operations. Two bills--House Bill 421 (now Act 1 of 1990) and House Bill 423 (Act 2 of 1990) became law in February. HB 421 requires validation by the state police of an out-of-state vehicle's identification number (VIN) before a Pennsylvania title and registration can be obtained. Anyone falsely verifying a VIN or is not authorized to do so could be charged with a summary offense and, if convicted, fined \$300.

HB 423 permits law enforcement officers to inspect the premises of a person dealing in salvage or junked cars without a search warrant if there is "probable cause" for the search. The new law also requires owners of such businesses to keep records pertaining to the final disposition of a vehicle for at least three years. Violations could bring a jail term of one year and a \$2,500 fine.

The third bill in the package--House Bill 422 (Act 8 of 1990)--contains provisions to make it tougher for chop shop operators to illegally remove a VIN from a vehicle and transfer it to another one. Additionally, a person purchasing a vehicle that has been totalled in an accident must first obtain a "certificate of junk" from PennDOT. The same provision applies to an insurance company which has paid an owner the replacement value of a wrecked vehicle.

*** **Pearl Harbor License Plate** -- Various sections of the Motor Vehicle Code are amended as a result of House Bill 334 (Act 83 of 1990) being signed into law. When this bill first cleared the House, it called for issuing a special registration plate designating the vehicle as belonging to a survivor of the Pearl Harbor attack. This provision remains in the bill. Applicants must pay \$20 for the plate, in addition to the annual registration fee.

The measure was heavily amended to provide:

> For a special plate to be issued for trucks or truck tractors used to transport circus or carnival workers or equipment during the period of April 1 through Sept. 30. The plate would be issued at one-half the fee for a similar type vehicle and would be valid only for the period specified.

> For creation of the Motor Vehicle Transaction Recovery Fund. Aim of the measure is to protect the commonwealth and the consumer from dealers or agents who collect fees for vehicle transactions (such as the sales tax) and who fail to remit the money to the state. Dealers would be assessed an initial \$60 fee. The bill further provides for an additional \$50 assessment when the fund balance is below \$500,000.

> Clarification of language in the 1990 Commercial Drivers License Act as it deals with the right to refuse to drive an unsafe commercial vehicle. Act 42 placed enforcement of this section under the Department of Labor and Industry which does not have the personnel to perform the work. This bill provides for the Public Utility Commission to enforce this particular area of Act 42.

> For cancellation of a driver's license when it has been intentionally altered or when a licensee voluntarily surrenders his or her driving privilege. In addition, it authorizes PennDOT to cancel a license during a driver's period of suspension in another state if that offense provides for a suspension in Pennsylvania.

> For titling and registering a snowmobile at the time the vehicle is purchased unless the buyer intends to restrict use of the vehicle to his or her private property.

* **Nurse Honored** -- The House failed to take action on legislation (SB 1652) which proposed naming a new bridge in Lackawanna County for Carol Drazba, an Army nurse and resident of the county who lost her life in the Vietnam conflict. The bridge will link Scranton's Minooka section with Taylor Borough.

*** **House Speaker Honored** -- The late James J. Manderino, who was Speaker of the House of Representatives at the time of his death in December of 1989, was honored by legislation (HB 2247) which was signed into law June 19 as Act 53 of 1990. The bill designates a section of Route 43 in Allegheny, Fayette and

Washington counties as the James J. Manderino Memorial Highway.

Also signed into law were two other bills which make special highway designations. House Bill 808 (Act 49 of 1990) designates state Route 88 in Allegheny and Washington counties as the 88th Infantry Division Highway; Senate Bill 29 (Act 74 of 1990) designates Interstate 476 in Montgomery County as the Veterans Memorial Highway.

*** **Certification for Handicapped** -- House Bill 1658, signed into law July 11 as Act 105 of 1990, permits a physician in a state contiguous to Pennsylvania to certify a handicapped person for a special license plate or parking placard.

** **High-Speed Rail Plan** -- Adjournment by the General Assembly derailed legislation that would have continued the state's involvement in a proposed high-speed "bullet train" system. Senate Bill 676 assigned development of the service to the state Department of Transportation and called for spending an additional \$300,000 to study the idea. However, the bill and its remaining provisions died after the House-amended bill was amended further by the Senate on the day of adjournment. This bill had been sent to the House as legislation to exclude a motorized wheelchair from the current definition of "motor vehicle." Another provision would have changed the length of time that abandoned vehicles can remain on the Pennsylvania Turnpike, from 48 hours to 24 hours.

-- LAW AND JUSTICE --

*** **Hearing Examiners Felled** -- The Liquor Control Board's 12 hearing examiners will be losing their jobs--but not right away--in the wake of House Bill 1946 being signed into law by the governor. The bill will transfer the functions of the hearing examiners to the LCB's Office of Administration Law Judge. However, the present examiners will not be terminated until June 30, 1992. Coincidentally, the LCB is due to "sunset" on that date unless the General Assembly passes a bill renewing the agency.

House Bill 1946 also:

> Requires breweries that reduce the selling price of their product to keep the lower price in effect for at least 180 days;

> Tightens population quotas for beer distributor and bar licenses. Instead of one distributor license for every 15,000 residents in a county, the bill provides one for every 30,000 persons; retail beer and liquor licenses are limited to one for every 3,000 persons in a municipality, instead of 2,000, and

> Prohibits a bartender from drinking while on duty, and requires tavern patrons to leave the premises no later than 2:30 a.m. unless the licensee holds an extended hours food license. The bill signed by the governor becomes Act 160 of 1990.

* **Fast 'ID' on Prints** -- Although the Senate passed legislation (SB 417) providing startup funding for a state-of-the-art fingerprint "ID" system for the State Police, the action was rendered unnecessary by the governor's inclusion of funds in his 1989-90 budget.

SB 417 authorized a \$900,000 appropriation for fiscal year 1989-90 to cover startup costs for the \$8 million-plus system which, according to advocates, boasts a 99 percent accuracy rate and can do in minutes what now takes hours. The governor's budget provides \$860,000 and negates the need for the House to proceed further with the legislation.

Supporters say the system will enable the State Police and other law enforcement agencies to spend less time on fingerprint ID work and more time on criminal investigation. The proposed system would have eight remote terminals that could be accessed by local police.

*** **Beer Sales Okayed** -- Beer can be sold at the Williamsport stadium during Class AA Eastern League games as the result of House Bill 49 being signed into law May 4 as Act 5 of 1989. The measure amended the Liquor Code by reducing the seating requirement necessary for the sale of alcohol in stadiums in third class cities. The law previously required a 7,000-seat stadium; HB 49 reduces the minimum to 4,000. The new law bans the sale of beer in one or more areas of the stadium that comprise at least 15 percent of its seating capacity.

* **More State Police** -- Senate Bill 815 called for boosting the number of positions in the State Police from 3,940 to 4,440, excluding the Turnpike detail. The cost of adding 500 new troopers to the force would have been \$25 million over five years. The measure passed the Senate in December of 1989 but died in the House State Government Committee.

"V" **Resident Troopers** -- Small municipalities that do not have police forces would have been able to "rent" a state trooper under House Bill 618 which passed the General Assembly but was vetoed by the governor. The measure provided for the hiring of 50 additional troopers to meet staffing requirements but stipulated that the number of personnel assigned to "resident trooper" duty would not be counted when determining the total number of officers on the state force (now limited to 3,940). A borough or first or second class township would have contracted for the service, with the trooper permanently assigned to and residing in the municipality or geographical area where he or she would have worked. This bill also called for creation of two state police underwater search teams, one assigned in the eastern part of the state and one in the west.

* **Unlicensed Liquor Sales** -- Owners of restaurants or clubs that do not have liquor licenses but which sell alcoholic beverages to customers would have faced stiffened fines upon conviction had Senate Bill 1351 become law. The bill cleared the Senate in December of 1989 but was never considered by the House Judiciary Committee. Before passing the bill, the Senate deleted a controversial provision that would have prohibited people from bringing alcoholic beverages into unlicensed restaurants.

*** **Liquor Code Changes** -- House concurrence in Senate amendments sent House Bill 1139 to the governor's office where it was signed into law as Act 48 of 1990. The measure came to the Senate as legislation reducing the seating requirement necessary for a performing arts facility to obtain a liquor license from 2,800 seats to 1,000 and reducing from two years to one the time a facility had to be in operation to acquire a license. Another provision of the bill reduces the seating requirement for non-profit facilities in third class cities from the current 1,000 to 650 (for license classification). Senate amendments provide for restaurant liquor licenses to be issued at pari-mutuel wagering sites and race tracks and for similar licenses to performing arts facilities in second class townships in fourth class counties. The latter amendment requires a seating capacity of at least 7,000 to accommodate the new Star Lake Amphitheater in Washington County.

-- INTERGOVERNMENTAL AFFAIRS --

*** **Delaware River Port Authority** -- Legislation (HB 2350) clearing the Senate and House in June is aimed at enhancing the economic development capacity of the Delaware River Port Authority. The bill was signed into law as Act 15 of 1990 and takes effect when concurring legislation is passed in New Jersey. Once New Jersey has acted, the authority will have the go-ahead to develop an international trade center in Camden, a regional internodal transfer facility in the eastern portion of Philadelphia and a regional port enhancement development project for the Port District (the district includes Delaware and Philadelphia counties in Pennsylvania and Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem counties in New Jersey).

*** **Rebirth for Philadelphia Port** -- House Bill 1450 (Act 50 of 1989) created the Philadelphia Regional Port Authority to oversee the operation and development of the Port of Philadelphia. The new authority, which has 11 members, assumed the functions and responsibilities of the Philadelphia Port Corp. When he signed the bill into law, the governor said the state was making available \$33 million for port improvement projects. Under the law, authority members are appointed by the governor and by leaders of the majority and minority parties of the General Assembly. Members cannot be elected public officials.

* **Incentive Program Eyed** -- Legislation that would have benefited companies using the Pennsylvania Turnpike to transport goods destined for export from ports operated by the Philadelphia Regional Port Authority failed to win House approval prior to adjournment. The Senate passed the measure (SB 1499) in June, 1990. The bill would have established the Philadelphia Regional Port Authority Usage Incentive Program Act and appropriated \$300,000 for the program. It proposed eliminating turnpike tolls for companies transporting goods via the turnpike to a PRPA port. The \$300,000 appropriation would have been used to reimburse the Turnpike Commission for the lost tolls.

*** **New Life for Program** -- The state's Community Service Block Grant Program received a new lease on life when House Bill 1392 was signed into law (Act 49 of 1989). Had no action been taken by the legislature, the program would have "expired" on July 11, 1989. The new law extends the sunset date to Dec. 31, 1992.

*** **Keeping Philadelphia's Sports Teams** -- House Bill 103, signed into law as Act 88 of 1989, strengthened Philadelphia's hand in the city's bid to keep the Philadelphia Flyers hockey team and Philadelphia 76'ers basketball team from moving to New Jersey. HB 103 authorized real property tax exemptions for first class cities (Philadelphia) when public property is used for public purposes. In Philadelphia, Spectacor, operator of the Spectrum and owner of the hockey team, will be permitted to make an annual \$2 million in-lieu-of-taxes payment to the city. Spectacor also would be shielded from any future increase in the city's amusement tax. The Casey administration will provide Philadelphia with \$8.5 million in state funds to help finance the demolition of JFK Stadium and finance the construction of lighting and parking facilities if Spectacor builds a new sports arena on the stadium site.

-- LABOR AND INDUSTRY --

*** **Child Labor Law Changes** -- House concurrence in Senate amendments paved the way for House Bill 1573 to become law (Act 62/1989).

HB 1573 amended the Child Labor Law, affecting sections dealing with farm work, bowling alley employment and summer camp workers.

The legislation permits minors 14 and older to work in bowling alleys as snack bar attendants, porters, control desk clerks and scorer attendants. Previously, the law barred anyone under 16 from working in any capacity in a bowling alley.

The law further prohibits a minor under 14 from working on a farm unless he or she is employed by the farmer. Another change provides that a farm worker under 16 who is employed in a poultry operation by a person other than the farmer can work until 10 p.m. as long as he or she is not engaged in an operation considered hazardous.

Teenagers 16 and 17 who work for the summer at religious or scout camps, retreats or conferences must, under provisions of the law, receive one day of rest during every seven-day period.

*** **Salaries for Board** -- Senate Bill 872, signed into law (Act 11 of 1989), provides for salaries of the chairman and members of the Unemployment Compensation Board of Review to be set by the Executive Board. Previously, salaries were regulated by statute. Since 1963, the chairman has been paid \$14,000 annually; the other two members have been receiving \$13,000. The Executive Board consists of the governor, insurance commissioner, secretary of state, and the secretaries of the Departments of Community Affairs, Public Welfare, Revenue, and General Services.

*** **Inspection of Files** -- Legislation (SB 1313) amending a state law that authorizes employees to inspect their own personnel files has been signed into law as Act 149 of 1990. The new law, which is effective immediately, permits a designated agent of an employee to inspect the employee's personnel records. The bill also removes a provision in the earlier law that limited inspections to once a year.

*** **Minimum Wage Law Changes** -- Senate Bill 1458 provided for two changes in the state's Minimum Wage Law. The measure was signed into law as Act 79 of 1990. One change permits the Department of Labor and Industry to accept the federal certificate (required under the federal Fair Labor Standards Act) for a disabled worker whose earning capacity is impaired by physical or mental deficiencies. The second change addresses

overtime exemption for trucking industry workers. Both changes are retroactive to Feb. 1, 1989, the effective date of the state's last minimum wage change.

*** **Mediators Protected** -- Legislation signed into law in 1990 (HB 1756/Act 41) provides for confidentiality of information disclosed to mediators during any court-ordered bargaining process or proceeding in which the mediator is involved. The new law is designed to protect a mediator's position if, for example, he or she is subpoenaed to testify.

*** **'Hazmat' Protection** -- The Senate and House passed, without amendments, legislation (Senate Bill 1395) that will make volunteer members of hazardous materials response teams eligible for worker's compensation payments if they are injured in the line of duty. The measure was signed by the governor as Act 167 of 1990.

*** **More Restrooms for Women** -- House Bill 2033 was signed by the governor (Act 185/1990) after overwhelming approval by the Senate and House. The measure requires more restrooms for women in buildings owned or leased by state and local governments and in certain public facilities such as sports arenas. The provision applies only to new buildings and to those undergoing extensive renovation or rehabilitation.

*** **Stuffed Toy Act Amended** -- Also passed was Senate Bill 1676, legislation (Act 176/1990) amending the Stuffed Toy Manufacturing Act. The bill exempts from registration any person not regularly engaged in manufacturing, wholesaling or importing stuffed toys and would apply to those people who make the toys as a "leisure pursuit" and whose gross income from sales is less than \$1,000 annually. The measure further authorizes the Department of Labor and Industry to establish fees through regulation.

*** **Fees Set by L&I** -- Senate Bill 1675, an amendment to the state's Fire and Panic Act, passed both chambers. The bill, which became Act 175/1990, authorizes the Department of Labor and Industry to establish fees for licensing motion picture projectionists and for the examination of architectural drawings (under previous law, fees were set by an act of the General Assembly).

"V" **Bedding/Upholstery** -- Senate Bill 1673 is another measure that provided for permit fees to be established by the Department of Labor and Industry, rather through legislation. This measure applied to the Bedding and Upholstery Law. The bill, which was vetoed by the governor, would have eliminated a requirement that an adhesive stamp be placed on every bedding and upholstery tag.

*** **Dry Cleaning Law Rewritten** -- Clearing the House and Senate was a bill (HB 2156, Act 214/1990) that rewrites the Dry Cleaning and Dyeing Act by updating its provisions and authorizing the Department of Labor and Industry to establish construction requirements. Primary aim of the measure is to protect the public and dry cleaning plant workers from fire and health hazards.

-- AGING AND YOUTH --

*** **Senior Citizen Caregiver Support** -- Passed by the General Assembly was legislation (HB 698, Act 204/1990) establishing a program of assistance for at-home care of functionally dependent persons 60 years of age or older and adults with a deteriorating mental condition (such as Alzheimer's Disease).

The legislation provides for the statewide implementation of an earlier pilot program of assistance to families who care for an older relative at home. By easing pressures on those who care for an older person, the program is intended to help prevent senior citizens from being institutionalized.

Services include education and benefits counseling and, for low-income families, financial help with the expenses of physical devices, supplies, home modifications and respite care.

A qualified caregiver -- in most cases, a family member -- would be eligible for monthly state stipends of up to \$200 and one-time grants of up to \$2,000 to pay for the services.

The 1990-91 state budget doubled funding, to a total of \$7.5 million, for the senior citizen Transitional Care and Family Caregiver program.

*** **Medicare Overcharge Measure** -- Enacted was legislation (HB 700, Act 81/1990) to prevent senior citizens from being charged excess fees for health care services (See Public Health and Welfare).

*** **Children's Trust Fund Funding** -- Senate Bill 848 (Act 43/1990) was intended to make it easier for counties to impose, administer and collect a \$10 surcharge on divorces for the state's Children's Trust Fund.

The new law requires collection of the surcharge when a divorce complaint is filed. Previous law mandated fee collection when the final divorce decree was issued. The \$10 surcharge on divorces, and on marriage license applications, was first enacted in 1988 along with the creation of the Children's Trust Fund to provide a new funding mechanism to combat child abuse.

* **Child Abuse Definition Expansion** -- Legislation (SB 459) that would have greatly expanded the state's ability to intercede in suspected cases of child abuse cleared the Senate but failed to receive House action.

The measure amended the Child Protective Services Law by expanding the definition of child abuse to include harm or the threat of harm to a child's welfare. The word "serious" would have been removed from qualifying physical or mental injury.

The bill expanded the definition of "physical neglect" to mean the failure to provide a child with adequate food, clothing, shelter, or medical care. The term "sexual abuse" would have been expanded to include "exploitation."

* **Substance-Abused Children** -- Legislation (SB 575) that would have allowed for the filing of child abuse charges against parents of children born with problems related to a parent's abuse of drugs and alcohol unanimously passed by the Senate. The House failed to act on the measure.

Under Senate Bill 575, a substance-abused child would have included any child born with fetal alcohol syndrome, neonatal abstinence syndrome or the systematic presence of an illicit or controlled substance.

The bill would have required health care workers to report cases involving the delivery of a substance-abused baby and give doctors the ability to take protective custody to prevent the baby's removal from the hospital.

*** **Older Adult Daily Living Centers** -- Legislation which sets standards for licensing older adult daily living centers was signed into law as Act 118 on July 11, 1990. One-year licenses will be issued by the Department of Aging.

* **Income Limits Increase for PACE** -- Income limits for the state's co-pay prescription program for senior citizens, known as PACE, would have been increased to offset Social Security cost-of-living increases (COLA's) paid in the last two years under Senate Bill 1523 which unanimously passed the Senate but failed to receive action in the House.

An estimated 10,000 older Pennsylvanians become ineligible for PACE benefits each year as a result of Social Security COLA's.

Under the measure, the income eligibility limit for PACE would have automatically been adjusted upward with future Social Security COLA's.

* **Income Limit Boost for Property Tax/Rent Rebate Program** -- Household income limits for participants in the state's senior citizen Property Tax and Rent Rebate Program would have increased from \$15,000 to \$18,000 under Senate Bill 955. The bill, which was not acted on in the House, would also have expanded participation in the program by exempting Social Security COLA's from consideration as income.

-- JUDICIARY --

*** **Additional Judges** -- Legislation (HB 1903) that will add 24 new common pleas court judges in Pennsylvania has been signed into law as Act 159 of 1990.

Under the measure, Philadelphia will gain five additional judges (85 to 90) who, for five years, will devote full time to disposing of drug-related criminal cases.

Drug cases have been rising at an alarming rate in Philadelphia. Through the November, 1990 term, Philadelphia Common Pleas Court had disposed of 5,265 cases involving arrests for the sale and use of drugs and possession and use. In 1986, the number of drug-related cases totaled 856.

Act 159 also provided for 19 additional judges in 16 other judicial districts. Two judges are to be added in Lancaster (7 to 9), York (7-9) and Berks (8-10) Counties. One additional judge is to be added to the district that encompasses Perry and Juniata counties (1-2) and the counties of Bucks (10-11), Cumberland (4-5), Westmoreland (9-10), Luzerne (7-8), Dauphin (6-7), Chester (8-9), Clinton (1-2), Lycoming (3-4), Lehigh (7-8), Monroe (3-4), Butler (3-4) and Carbon (1-2).

The new judgeship in Bucks County will be filled by appointment of the governor. The other additional judges are subject to election in 1991 and will assume office in January, 1992.

**** Judicial Reform** -- After years of stalemate on other elements of so-called judicial reform, both the Senate and House have taken the first step to amend the state Constitution to require all Pennsylvania court justices, judges and judicial officers and employees to disclose their finances just as Pennsylvania's Ethics Law requires financial disclosure for other local and state public officials.

The provision is just part of Senate Bill 1 which cleared both the Senate (47-2) and House (199-0) on June 30, 1990. The proposed constitutional amendment, which doesn't require the governor's signature, must still be passed in the new two-year 1991-92 session of the General Assembly before going to the voters for final approval.

Key among its provisions is the abolishment of the existing judge-dominated, 9-member Judicial Inquiry and Review Board which investigates allegations of misconduct against fellow judges.

Senate Bill 1 would replace the existing judicial disciplinary system through the creation of two new boards -- one to investigate complaints against judges (an 11-member Judicial Conduct Board); the other to determine guilt or innocence and impose penalties (a 7-member Court of Judicial Discipline). The boards would be non-judge, non-lawyer dominated.

Proceedings of the Court of Judicial Discipline would be public. However, until misconduct investigations are complete and formal charges are filed, the Judicial Conduct Board would be required to keep its investigations confidential.

Additionally, the proposed amendment seeks to overturn a 1987 state Supreme Court ruling that required the state to pay all county court costs. The proposal would specify that all appropriations for the various courts in Pennsylvania are within the jurisdiction and responsibility of the General Assembly -- not the courts.

The provision of the proposed constitutional change to require judges to disclose their finances is something that a number of state legislators have proposed for years. After Pennsylvania's first Ethics Law went into effect in 1978, the courts simply ruled that it didn't apply to them. The constitutional change would change that.

***** Motivational "Boot Camps"/Alternative Sentencing** -- Legislation (HB 2199, Act 215/1990) establishing a program of motivational "boot camps" in an attempt to rehabilitate younger non-violent offenders and another proposal (SB 718, Act 193/1990) providing for a series of sentencing alternatives to incarceration cleared the General Assembly.

House Bill 2199, which passed without opposition in either chamber, authorized spending \$5 million for the Department of Corrections to set up a military-style boot camp. It would enable eligible inmates, who must be under 35 years of age and sentenced to two to five years in prison for non-violent offenses, to take part in six-month programs of rigorous physical activity, public works projects, substance and abuse treatment and

vocational and educational training. Inmates sentenced for crimes involving criminal homicide, rape, kidnapping, involuntary deviate sexual intercourse and robbery would not be eligible.

Judges would be responsible for determining whether or not a defendant is eligible for the program, using sentencing guidelines at his or her discretion.

Under the measure, participation privileges could be revoked at any time and inmates could withdraw from the program at any time.

Senate Bill 718, meanwhile, also sought to provide for some relief from overcrowded jails and provided a funding mechanism to help counties establish intermediate sentencing programs. Under the measure, programs would be developed for non-violent offenders who demonstrate special needs to receive services which would enhance their ability to become contributing members of the community.

The legislation calls for using non-custodial programs which include intensive probation supervision, house arrest, victim restitution, mandatory in- or out-patient drug or alcohol rehabilitation, electronic monitoring, community service, vocational training or work-release camps as alternatives to jail.

To qualify for funding, an intermediate punishment program must be developed by a county prison board and then submitted to the Pennsylvania Commission on Crime and Delinquency. Counties that are declared eligible by the commission would receive direct funding for 50 to 80 percent of the total cost of the program, as determined by the commission. The act would not prohibit the use of federal funds.

*** **More Jails** -- Legislation (HB 2116) to construct four new state prisons, provide for additional capacity within existing state correctional institutions and grant counties matching grants for local jail expansion projects became law (Act 71/1990 -- **See Budget & Finance: Prison System Expansion**).

*** **Lethal Injection Replaces Electric Chair** -- The governor has signed into law legislation (SB 637, Act 145/1990) that replaces the electric chair with lethal injection as the method of executing convicted murderers in Pennsylvania.

Lethal injection advocates claim the new law will allow a more humane method for imposition of the death penalty in Pennsylvania.

Immediately following the bill's enactment, the state's electric chair at the State Correctional Institution at Rockview in Centre County, which had not been used since 1962, was dismantled. There are 118 people awaiting execution in Pennsylvania.

*** **Hostile Corporate Takeovers** -- Backed by an alliance of business and labor groups, Pennsylvania enacted what was touted as the toughest anti-takeover law in the nation (SB 1310, Act 36/1990).

Among other things, the measure was designed to deny corporate raiders short-term profits.

The law forces a raider who attempts to sell shares within 18 months of a takeover bid to relinquish such profits.

Under the "control shares" provision, hostile raiders that control at least 20 percent of a company's stock could not vote the stock to replace management unless a majority of the other stockholders approve. These two provisions would not apply to shareholders who initiate proxy fights without intending to take control of a corporation.

In another sweeping change, corporate boards of directors could consider the effects of a takeover bid not only on shareholders, but on the community, employees, customers and suppliers. Allowing directors to consider the broader implications of a hostile takeover is a marked departure from the past when the board's primary obligation was to the shareholders.

The law also provides protection to employees once a takeover is consummated under the control shares provision by requiring severance pay to terminated workers. Labor contracts cannot be terminated unless the bargaining unit and the new management agree.

The law was prompted by a takeover attempt of Armstrong World Industries Inc. by the Belzberg family of Canada.

*** **Anti-Drug Laws** -- Enacted were a series of new laws to stiffen penalties on drug pushers and illicit drug users.

Senate Bill 940, which became Act 99/1989, gave juries more latitude to impose the death penalty for persons convicted in connection with certain drug-related killings.

The legislation added to the list of "aggravating circumstances" that juries must consider along with "mitigating circumstances" when weighing a decision in first degree murder cases on whether to impose the death sentence.

Specifically, Act 99 made it an aggravating circumstance if the victim of such an intentional or premeditated killing was a law enforcement official, judge or district attorney; if the victim was a "non governmental informant"; if the killing occurred in conjunction with a felony drug crime; if the victim was a drug trafficking associate or competitor; or if the victim was a child under 12 years of age.

Act 99 also provided for the public disclosure of the names of juvenile drug traffickers 14 years of age and older so that other teens and parents would know the identity of juvenile drug peddlers.

Also enacted was a measure (HB 1280, Act 109/1989) making anyone convicted of selling a drug to a person who dies from taking the drug guilty of third degree murder. The penalty would range to up to 20 years in jail while the legislation contained a mandatory minimum jail sentence of at least 5 years.

Meanwhile, even the less serious drug offenses -- including possession of a small amount of any illegal drug -- are punishable by a law (SB 355, Act 92/1989) mandating the suspension of drivers' licenses. The drivers' license suspension for any drug violation would be 90 days for a first offense, one year for a second offense and two years for a third offense. The suspension applies regardless of whether the drug offense occurred in conjunction with the operation of a motor vehicle.

Other measures enacted to assist in the war on drugs include:

-- House Bill 964 (Act 105, 1989) which doubled the maximum penalty for smuggling drugs to prison inmates from five years in jail to 10 years imprisonment;

-- Senate Bill 620 (Act 97, 1989) which requires paroled inmates to undergo random drug tests and inmates nearing parole to pass a drug screening test before they are paroled;

-- House Bill 1275 (Act 107, 1989) which added so-called designer drugs (drugs that have a chemical nature similar to that of controlled substances and produce similar effects) to the state's controlled substances list;

-- Senate Bill 123 (Act 91, 1989) which added methaqualone to the state's list of controlled substances;

-- House Bill 855 (Act 104, 1989) which prohibits doctors from prescribing anabolic steroids except for valid medical purposes;

-- Senate Bill 618 (Act 96, 1989) which allows parents of children who are sold drugs to sue the drug peddler for damages;

-- Senate Bill 948 (Act 100, 1989) which boosted drug law enforcement efforts by giving municipal police officers commonwealth employee status when they cross municipal boundaries to assist state law enforcement personnel; and

-- House Bill 1277 (Act 108, 1989) which made it a state crime to take part in financial transactions designed to conceal unlawful activity, otherwise known as "money laundering."

*** **State Pays for Pre-Parole Drug Tests/Hearing Notification** -- Passed on unanimous votes in both the Senate and House was legislation (HB 2221, Act 114/1990) that requires the state to pay the cost of mandatory drug screening tests of inmates nearing parole. The legislation also requires that the victims of a crime be notified of all parole hearings for the imprisoned offender who committed the crime.

* **School Zone Drug Crackdown** -- Legislation (HB 176) that would beef up the state's crackdown on drug trafficking near schools and other areas where children congregate failed to receive House approval on amendments inserted by the Senate before the legislature completed its two-year session.

The measure would have expanded and strengthened provisions of state law requiring a two-year mandatory minimum jail sentence for persons convicted of peddling drugs within 1,000 feet of a school, college or university. The legislation expanded the two-year jail sentence provision to drug sales that occur within 1,500 feet of a public, private or parochial school, college or university, playground or licensed child care facility. Also, the legislation would have closed a loophole in existing law that requires drug sales to be made to a child in order for the two-year mandatory minimum sentence to apply. The loophole prevents school zone drug sales made to undercover police from being prosecuted under the mandatory two-year jail sentence provision.

*** **Abortion Control** -- Enacted was a measure (SB 369, Act 64/1989) placing new restrictions on abortion in Pennsylvania.

The legislation, the first to be enacted by any state following the July 3, 1989 U.S. Supreme Court decision in Webster versus Reproductive Health Services, cleared the Senate on a vote of 33 to 17 after being approved by the House on a vote of 143 to 58.

Although a court challenge and injunction delayed the implementation of parts of the new law, key elements of the measure were designed to do the following:

-- prohibit abortions performed more than 24 weeks after a pregnant woman's last menstrual period unless the abortion is necessary "to prevent death of the woman or substantial or irreversible impairment of a major bodily function of the woman"; -- require women seeking abortions to submit to a 24-hour waiting period during which time they would be informed about the procedure, its risks and alternatives, and their right to see printed materials on those risks and alternatives;

-- require married women to notify their husbands prior to an abortion except in cases in which the husband is not the father, the husband cannot be located, the pregnancy is the result of spousal sexual assault that has been reported to the police, or the woman believes she will be the victim of bodily injury if she notifies her spouse; and

-- prohibit an abortion at any time during pregnancy when the reason is based on the mother's, father's or both parents' objection to the sex of the unborn child.

The measure also removed a provision of prior law that allowed abortions in publicly owned, or taxpayer financed, facilities when no other facility was available within a 20-mile radius. Publicly owned facilities, however, are still permitted to perform abortions when it's necessary to save the life of the mother or if the pregnancy was the result of rape or incest.

Additionally, the legislation set forth standards governing the transplantation, research and experimentation on fetal tissue and organs. No such transplantation, research or experimentation can occur without the written consent of the woman who has the abortion.

Finally, the legislation also increased the maximum penalty for the crime of incest from five years in jail and a \$10,000 fine to 10 years in jail and a \$25,000 fine.

*** **Child Support** -- Enacted was a measure (HB 1633, Act 81/1989) to crack down on fathers required to make child support payments and to bring Pennsylvania's Domestic Relations Law into compliance with the federal Family Support Act of 1988.

Among its provisions, the law provided for mandatory wage attachment, court review of support orders every three years and genetic tests to establish a father's identity.

Only if the parents agree to a payment plan other than attachment or one of the parties demonstrates, and the court finds, that there is not "good cause" to require immediate income withholding will wage attachment for child support not be required. The provisions of the new law became effective for support orders entered or modified after July 1, 1990. Previous support orders will come under the mandatory wage attachment provision on July 1, 1991.

The stipulation that courts review support orders every three years marks an attempt to ensure that the level of support is appropriate based on changing levels of income and the needs of the child.

Genetic testing will be ordered when paternity is questioned. In the past, an absent father was not required to pay child support unless paternity was established before the child turned 6 years of age. Under the new provisions, paternity may be established up to age 18.

*** **Assaults on Sports Officials/Tobacco Sales to Minors** -- Assaulting a sports official now carries a fine of up to \$10,000 and a jail term of up to five years under HB 227, signed into law as Act 7/1990. The definition of sports official includes coaches, trainers, or school administrators if they were involved in enforcing the rules of a sports event.

The law also increased the legal age for the purchase of tobacco from 16 to 18 years. Selling tobacco to someone under 18, or misrepresenting oneself as being 18 or older, to purchase tobacco carries a fine of not less than \$25 for the first offense and over \$100 for subsequent offenses.

*** **Liability Exemptions for Donated Food** -- In an effort to increase contributions to food banks and other organizations that provide food to poor people, legislation (HB 491) making businesses and other organizations exempt from liability damages resulting from donated foods was enacted into law as Act 27/1990.

As long as the food donated to a non-profit organization is "apparently wholesome," the civil and criminal liability exemptions are applicable. The exemption does not apply to gross negligence, recklessness, or intentional misconduct.

The law also removes the statute of limitations for homicide by vehicle.

*** **Wiretaps OK'd for Baby Selling Investigations** -- Wiretaps can be authorized for investigations in which a person is suspected of selling, buying or dealing in infant children and the offense endangers a life or property under HB 682, enacted as Act 3/1990.

*** **Garbage Truck Confiscation, Littering Fines, Guide Dog Protection and Penalties for Fleeing to Avoid Prosecution** -- Local governments now have the authority to confiscate and sell vehicles used to illegally dump garbage under Act 47 of 1990 (HB 1068). The bill is another strategy in the state's ongoing efforts to crack down on haphazard and illegal waste disposal.

Previously, only a vehicle's operator could be charged with illegal dumping. Under the new law, law enforcement officials can also charge the vehicle's owner with a misdemeanor offense. A first offense penalty is increased to a maximum of \$5,000 and two years in jail; second and subsequent offenses now carry a fine of up to \$10,000 and five years in jail. The law includes community service as a sentencing option, and allows for confiscation of the vehicle following a second or subsequent conviction.

The minimum fine for illegally scattering, throwing or depositing garbage increased from \$10 to \$50 for a first-time offense under the law. Second and subsequent offenses carry a fine of between \$300 and \$1,000 and up to one year in jail. Community service would be an option to jail time.

Another provision in the law expands protection afforded guide dogs used by blind or deaf persons to include guide, signal or service dogs used by people with physical disabilities. The dogs and their masters can not be denied access to theatres, hotels, restaurants, or other amusement or entertainment facilities.

A person who flees or goes into hiding to avoid apprehension, trial or punishment will be charged with a second degree misdemeanor (up to a \$5,000 fine and two years in prison) or a third degree felony (up to \$15,000 and seven years) under another section of this law. The charge would depend on the extent of the initial violation.

*** **Stiffer Penalties for Assault, Child Snatching, and Sexual Misconduct** -- Act 4 of 1990 (HB 1120) creates new offenses and stiffens penalties for various crimes dealing with assault, child snatching, and sexual misconduct.

Among its provisions, the law makes most all attacks on probation and parole officers aggravated assaults -- a crime punishable by up to 20 years in jail.

Removing a child from his or her home and concealing the child's whereabouts from the parent or guardian is a third degree felony under the new law. The offense, which carries a sentence of up to seven years in jail, would not apply in cases where concealment is authorized by a court, or is in a reasonable response to domestic violence or child abuse. Luring a child into a car without parental consent is now a first degree misdemeanor, with a maximum sentence of five years in prison.

The law also creates felony offenses for certain crimes involving sexual misconduct and increases penalties for such offenses. For example, hiring a prostitute under the age of 16 is now a third degree misdemeanor, which carries a jail sentence of up to one year. Previously, the crime was a summary offense with a sentence of up to 90 days.

*** **Theft During Disaster a Second Degree Felony** -- Enacted was House Bill 2039 (Act 154/1990) which upgrades the offense of theft during various disasters to a second degree felony punishable by up to 10 years in jail and a fine of up to \$25,000.

Under present law, theft is a third degree felony if the amount involved exceeds \$2,000. In all other cases, it is a first degree misdemeanor.

Under the new law, theft during a man-made, natural or war-caused disaster would include unlawful taking, receiving stolen property, unauthorized use of automobiles and retail theft.

** **Assaults on Public Officials** -- The Senate failed to act on amendments inserted by the House to a measure (SB 938) that would have increased the penalty for assaults on law enforcement officials, judges and district attorneys. Under the measure, attacks on such officials would automatically be considered aggravated assault instead of simple assault and result in a penalty of up to five to 10 years in jail and fines of up to \$10,000 or \$25,000 depending on the seriousness of the assault. Among other amendments, the House extended provisions of the bill to cover attacks on ambulance and emergency medical personnel, probation and parole officers, members of the General Assembly, the governor, lieutenant governor, auditor general and state treasurer.

*** **Federal Housing of Inmates/Coal Use** -- The Department of Corrections can contract with the federal government to house inmates in federal correctional facilities under Senate Bill 648 (Act 28/1990). Previously, the Department of Corrections was only authorized to use federal facilities if the Governor's Emergency Powers Act was invoked.

The legislation also requires all new or replacement heating systems in state facilities to be fueled by coal. The provision, an effort to boost the state's slumping coal industry, would not apply if alternative heating systems are found to be more cost-effective.

*** **Criminal Intelligence Computerization** -- Law enforcement officials were authorized to computerize sensitive information for criminal investigations, and obscene bumper stickers were outlawed under legislation (HB 1141, Act 207/1990) that was sent to the governor.

The measure allowed law enforcement officials to computerize such information as a person's habits, practices, characteristics, possessions, associations or financial status so long as it is compiled in an effort to anticipate, prevent, monitor, investigate or prosecute criminal activity. Health treatment information (a person's medical, psychiatric, psychological or rehabilitative information) could also be filed on a computer, but only in cases where a person is convicted or charged with a crime. Each participating agency would be required to ensure the confidentiality and security of its system.

The bill was amended to insure that information which is compiled directly relates to criminal activity and contains stricter guidelines on what information can be stored.

Rules and regulations for the program's implementation would be adopted by the attorney general in consultation with the state police.

The bill also contained an amendment making it a third degree misdemeanor, punishable by up to one year in prison and a fine of up to \$2,500, to disclose tax information (except to authorized persons for official governmental purposes) that has been designated confidential by a statute or ordinance of a second class city.

Under HB 1141, persons found guilty of manufacturing, selling or displaying a bumper sticker with offensive sexual references could face a maximum sentence of five years in jail and a \$10,000 fine. The measure, which seeks to protect minors from pornography, was also amended to include live performances and video tapes under the offense of obscene materials. The definition of a minor was also changed to a person under the age of 18, rather than 17.

*** **"Official" Prison Visits** -- Legislation (HB 612) to statutorily permit the governor, lieutenant governor, Senate and House members, justices and judges, the general counsel, the attorney general and his deputies, and authorized members of the Pennsylvania Prison Society to visit any local or state prison on any day between 9 a.m. and 5 p.m. was enacted as Act 156/1990.

An official visitor (any of the above-mentioned) will not be permitted to visit a prison at any other time without the permission of the superintendent or person in charge of the facility.

Under the measure, an official visitor may be denied entry into a state prison if the superintendent or person in charge of the facility believes it would be dangerous, and if the Secretary of Corrections has declared an emergency situation at the institution.

An official visitor may also be denied entry to a local prison if the superintendent or person in charge of the prison has declared an emergency situation at the facility. The corrections official must have the approval of the president judge of the appropriate court in order to deny the official visitor entry into the prison.

The measure also provides an official visitor with the right to interview privately any inmate in the prison. If it is determined that it would be too dangerous for an official visitor to enter a cell, the corrections official is required to arrange a private interview in another cell or room.

*** **Shorter Exercise Week** -- Prisoners who are under disciplinary status or in segregation in a penitentiary or county prison will see their daily exercise schedule reduced under House Bill 1106 which was signed into law as Act 157/1990.

Under the measure, one hour of daily exercise will be provided to those prisoners five days per week. Under the old law, prisoners received at least two hours of exercise per day.

*** **Shoplifting Remedies** -- Legislation (HB 1882) was passed by both chambers and signed into law (Act 141/1990) by the governor that provides civil remedies for settling cases involving retail theft.

The new law enables retailers to issue a letter of demand to a suspected shoplifter or the suspect's family. If the cost of the missing item is remitted, it would serve as a replacement for additional civil or criminal action.

Retailers, however, can press criminal charges against a suspect, in which case the court would award damages in the amount of the value of the merchandise and attorney fees if the merchandise cannot be returned in its original condition. A civil penalty in the amount of the value of the merchandise plus \$150 would be awarded. No civil action can be maintained if the defendant has paid a sum equal to the value of the merchandise, not to exceed \$500, plus the sum of \$150.

*** **Sealing Probable Cause Section of Search Warrant** -- The General Assembly passed and the governor signed into law a bill (HB 727, Act 138/1990) that allows a common pleas court judge to order the sealing of the probable cause section of a search warrant until the time of arraignment.

The court can extend the period if the prosecutor can show there is a need for such action. The additional time would enable law enforcement officials to gather additional evidence.

*** **Statute of Limitations Extension on Child Sexual Abuse** -- Approved by the General Assembly was a measure (HB 1228, Act 208/1990) to "toll" the statute of limitations on sexual crimes committed against children.

House Bill 1228 will enable child victims of sexual offenses to report and seek prosecution of such offenses later in life. The clock on the amount of time law enforcement authorities have to prosecute such an offense would not start to run until the victim of such sexual abuse reaches the age of 18.

*** **Compensation for District Attorneys** -- The Senate and House adopted and the governor signed into law Senate Bill 758 (Act 39/1990) which permits full-time district attorneys to accept compensation for professional writing and speaking. A ban against honorarium remains in effect.

*** **Marriage License Fees** -- Legislation (HB 1983, Act 222/1990) increasing the state fee for a marriage license by \$10 was passed.

The previous state fee was \$3 with a \$10 surcharge to help combat child abuse. Under the new measure, the additional \$10 for a marriage license will go to the Department of Public Welfare to further provide assistance to the victims of domestic violence.

*** **Ethnic Intimidation** -- A person who is injured or who has suffered property damage as a result of ethnic intimidation or vandalism would be able to seek an injunction, damages or other relief under a bill (HB 2284, Act 216/1990) passed by the Senate and House.

Under the measure, the person suffering personal injury would be permitted to seek general and special damages, including damages for emotional distress. Damages would be actual damages or \$500, whichever is greater.

*** **Constables to be Professionalized** -- Senate Bill 983 which provides Pennsylvania's constables their first raise in almost 20 years and implements mandatory training was signed into law as Act 147/1990.

Under the measure, constables and deputies will be professionalized through basic education, continuing education and firearms training for certification. The bill also contains provisions which include a fee schedule to clarify and update the fees a constable or deputy may charge. A surcharge of \$2 is added to each fee payable to a constable to cover the costs of their basic and continuing education.

A grandfather clause in the bill exempts current constables from the certification requirement until they come up for re-election to additional six-year terms.

The bill also gives constables a say in the management of the state judiciary system by enlarging the Minor Judiciary Education Board from seven to nine members, to include two constables.

Constables certified to perform judicial duties would have to carry a minimum liability insurance of \$250,000.

The bill also provides Philadelphia Municipal Court jurisdiction over public nuisance suits.

*** **Confidential Information Protection** -- Legislation (HB 1230, Act 183/1990) that would protect confidential information held by counselors of sexual assault victims was sent to the governor.

The measure clarifies the definition of a confidential communication to include all information, oral or written, transmitted between a sexual assault victim and a sexual assault counselor. Written and oral communications which are made a part of a victim's record at a sexual assault center are protected. This privilege covers both the sexual assault counselor and any co-participant in group counseling.

* **DUI, ARD Reports** -- Legislation (SB 1034) that would have required the Pennsylvania Commission on Crime and Delinquency, in coordination with Pennsylvania's counties, to submit reports that contain all fines, costs and fees collected from persons convicted of DUI or placed on ARD passed the Senate (49-0) but failed to clear the House.

*** **Inmates to Pay for Confinement** -- A measure (SB 295) was enacted (Act 75/1990) that permits counties to charge certain inmates for the cost of their confinement. The county option to require such payment only applies to inmates incarcerated on weekends or other short periods of time.

*** **Correctional Industries Warehouse** -- Enacted was a measure (HB 2469, Act 64/1990) providing \$600,000 for the construction of a warehouse structure at the Huntingdon state correctional institution to be used in conjunction with the inmate correctional industries program. The new warehouse was to eliminate transportation of inmate labor to and from an existing facility off site. Funds for the warehouse were to come from revenues generated by the correctional industries program.

*** **Protection from Abuse Codification/Philly Municipal Court** -- Enacted was a measure (HB 2029, Act 111/1990) codifying provisions of the law dealing with domestic violence and providing for the issuance of protective orders, including emergency relief, for the victims of household physical or sexual abuse. The legislation also expands the jurisdiction of the Philadelphia Municipal Court to handle cases involving nuisance bars.

*** **Parental Notification of Juvenile Charges** -- District justices are required to notify by mail a parent or guardian of a juvenile who is charged with a summary offense under House Bill 652, which became Act 9/1990.

No plea could be accepted and no hearing could be held within 72 hours of when the notification was mailed. Vehicle Code violations are exempted unless they are related to a suspended or revoked license.

*** **Loaded Weapons in Vehicles** -- The governor signed into law legislation (HB 71, Act 68/1989) that prohibits the carrying of loaded weapons in vehicles regardless of the barrel length. Exceptions to the measure are law enforcement officers, armed forces members on duty, and any government or private employee whose duties license them to carry firearms.

*** **Spouse Testimony** -- The governor signed into law legislation (HB 570, Act 16/1989) that permits husbands and wives to testify against one another in criminal cases.

It gives husbands and wives the choice of testifying against their spouses if they witnessed or have other evidence of a crime committed by their spouse and requires such testimony in cases involving murder, rape or involuntary deviate sexual intercourse.

"V" **Judges' Retirement** -- Senate Bill 1046, which would have permitted a judge to retire on December 31 of the year he or she turns 70 years of age rather than on the exact birth date, passed both the House and Senate but was vetoed by the governor.

* **Flag Burning** -- Legislation (SB 352) that would make the desecration of the American or Commonwealth flags a second degree misdemeanor passed the Senate by a 49-0 vote. The measure was stalled in the House Judiciary Committee when the two-year session ended.

An unrelated provision of the bill would have increased the offense of attempted murder from a second to a first degree felony.

* **Computer Tampering** -- The Senate unanimously passed but the House failed to act on legislation (SB 17) which would have made tampering with computer systems by inserting a "virus" a specific criminal offense.

* **Reimbursement to Counties for Housing Inmates** -- The state would have been required to reimburse counties \$40 per day for housing inmates serving sentences of between two and five years under Senate Bill 1252. The measure, which was still in the House Judiciary Committee when the session ended, would also have required the state to reimburse counties when state parole violators are recommitted to county jails.

* **Juror Disqualification** -- A person who has a charge pending against him or her which is punishable by imprisonment for more than one year would automatically be disqualified for jury duty under Senate Bill 1256 which unanimously passed the Senate but failed to receive House action.

-- ENVIRONMENTAL RESOURCES AND ENERGY --

*** **Hazardous Materials Safety Program** -- A statewide hazardous materials safety and emergency preparedness program was created under legislation passed by both chambers and signed by the governor.

Senate Bill 649 provided for local emergency planning for hazardous material emergencies in each of Pennsylvania's 67 counties and established emergency notification and reporting procedures for businesses which use hazardous materials. It provides additional financial support for counties and for hazardous material response teams.

Emergency planning programs in each county will be funded in part by state grants from a new Hazardous Materials Response Fund. Dollars for the fund will come from fees paid by businesses which manufacture, store or use hazardous materials.

The legislation also requires that releases of hazardous substances be reported immediately to local officials and to the Pennsylvania Emergency Management Agency. It establishes a certification program and training standards for local and regional hazardous material response teams.

*** **Storage Tank Regulations** -- A bill (SB 280) to regulate the installation, construction, maintenance and operation of above and below ground fuel storage tanks was signed into law as Act 32/1989. The legislation was first proposed in the prior two-year session following the January 2, 1988 collapse of an Ashland Oil Company fuel storage tank near Pittsburgh.

Act 32 gives DER special authority to deny tank permits to applicants with a history of environmental violations at other sites. DER may hold companies responsible for material in their tanks and companies must prove that their tanks are not the source of nearby pollution.

The act establishes the following regulations based on tank size and type:

Large aboveground tanks -- Tanks must be registered, certified, permitted, periodically inspected for leaks and structural integrity and given out-of-service inspections at least once every 10 years. Owners of large aboveground tanks must submit Spill Prevention Response plans.

Small aboveground tanks -- Defined as having a capacity of less than 21,000 gallons. New tanks must meet siting criteria. Tanks must be registered within six months and previously permitted tanks must be re-permitted within three years.

Underground tanks -- All tanks must be registered, permitted and periodically inspected for leaks and structural integrity. They must be registered within three months and permitted with 12 months. An Underground Storage Tank Fund was to be established to help underground tank owners and operators meet financial responsibility requirements. The fund was to be financed through tank fees. A Small Operator Assistance Program was to be created to provide engineering and technical assistance to small tank owners.

A Storage Tank Fund was to be created to pay the costs of operating the aboveground and underground tank programs, and to pay third party claims when the owner or operator of an aboveground tank does not comply with financial responsibility requirements. The fund will be financed by fines, civil penalties and permit and registration fees.

A Storage Tank Loan Fund will help finance corrective actions in specified cases.

*** **Plumbing Lead Ban** -- Legislation (SB 283) which bans the use of lead in plumbing fixtures was signed into law as Act 33 on July 6, 1989.

Act 33 brought Pennsylvania into compliance with the federal Safe Drinking Water Act of 1986, which required states to implement a plumbing materials lead ban.

Act 33 also requires water systems to notify customers who may be affected by lead contamination.

*** **Phosphate Ban** -- The sale and use of some cleaning agents which contain phosphates was banned under legislation (HB 168) signed into law as Act 31 on July 5, 1989.

The ban became effective March 1, 1990, in counties within the Susquehanna River and Lake Erie watersheds. It applies to the rest of the state on March 1, 1991.

The law primarily affects household and commercial laundry detergents. It does not affect detergents used in handling hospital, health care and veterinary laundry. Additional exclusions may be authorized through regulation by the Environmental Quality Board.

*** **Fees For Low-Level Waste Site** -- A fee system to finance the start-up costs of a low-level radioactive waste disposal facility was created by legislation signed into law as Act 107 on July 11, 1990.

Under House Bill 1743, nuclear power facility operators were to pay up to \$33 million in site screening and selection costs for the waste disposal site. Voluntary contributions will be accepted from other waste generators in the Appalachian States Low Level Radioactive Waste Compact.

The law requires that all low-level waste be deposited in a licensed facility, even if the federal Nuclear Regulatory Commission decides otherwise.

The legislation also required each reactor operator to pay \$36,000 a year to the municipality hosting a nuclear-powered electric generating plant. The payments were to last for five years.

*** **Waste Transfer Stations** -- Legislation which requires state Department of Environmental Resources permits for all waste transfer stations was signed into law as Act 109 on July 11, 1990.

House Bill 1911 closed a loophole which had allowed some transfer stations to escape DER permit requirements. Previous law required DER permits for "processing" and "disposal" facilities. Permits were not required for transfer stations that handled waste in enclosed trucks.

The legislation also added a definition of "aquaculture" to the 1980 Solid Waste Management Act. And it exempts municipalities or municipal authorities from posting a bond when issuing a permit for land application of sewage sludge. The exemption will apply when the sludge is used for land reclamation or agricultural purposes.

The legislation allowed some municipal or county-owned landfills to continue to operate while their permits for new facilities are being reviewed by DER.

* **Restaurant Packaging** -- Pennsylvania restaurants would have been required to use environmentally acceptable packaging under a bill (SB 1219) approved (47-1) by the Senate. House action was still pending when the session came to an end.

Senate Bill 1219 would have established a packaging and labeling system for recyclable products and plastic containers and eliminated the use of toxic chemicals in packaging.

Restaurants would have been prohibited from selling food in packages that are not recyclable or made from renewable resources or recycled material.

The measure also would have banned packaging containing lead, mercury, cadmium and hexavalent chromium.

* **Waste Industry Integrity** -- A bill intended to discourage criminal involvement in the waste industry was unanimously approved by the Senate.

Senate Bill 1437 would have required the registration and licensing of waste transporters and brokers and would have provided for the disclosure of criminal records by waste transporters, brokers and owners and operators of commercial waste management facilities.

Individuals or businesses convicted of specific "major" crimes would have been prohibited from being licensed.

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

"**V**" **Oil and Gas Wells** -- The governor vetoed legislation which would have made extensive revisions to the 1984 Oil and Gas Act. House Bill 614 was approved in the Senate on a vote of 30-18, and in the House on a vote of 146-49.

Supporters said the bill would have helped Pennsylvania's small oil and gas producers stay in business without jeopardizing the environment. Opponents called the bill an "all out assault" on the 1984 law. In his veto message, Gov. Casey said the bill "went well beyond" what would have been necessary to help small independent well operators.

The measure would have exempted pre-1975 wells from the Oil and Gas Act's bonding requirements, created an orphan well category, provided for the plugging of orphan and abandoned wells and authorized alternatives to bonding requirements.

The exemption for pre-1975 wells would have applied only to wells registered within one year of the effective date of the revised act.

The bill would have created funds to plug abandoned and orphaned wells and allowed payments of "phased collateral" in lieu of bonds for operators of less than 200 wells. The bill would have superseded most local ordinances which affect oil and gas well operations.

Similar legislation had been passed by the Senate as Senate Bill 1156 and Senate Bill 514.

* **Gas Well Plugging** -- The Senate unanimously approved legislation to establish requirements for plugging abandoned gas wells in coal mining areas.

Senate Bill 806 was intended to resolve a conflict in existing state law. The Coal and Gas Resource Coordination Act requires that gas wells be plugged to a depth of 200 feet to allow for coal mining operations. The more recent Oil and Gas Act requires that oil and gas wells be plugged to total depth.

The bill would have clarified that plugging of abandoned gas wells to allow for mining in nearby coal seams need only be done to a depth of 200 feet below the seam.

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

"V" Emergency Bond Fund -- Governor Casey vetoed legislation (HB 329) that, among other things, included anthracite surface mine operators in the Emergency Bond Fund.

The fund currently serves only anthracite deep mine operators. House Bill 329 also provided a "presumption of liability" when water supplies are contaminated from surface mining operations and gave DER the authority to replace some water supplies affected by mining. It marked an attempt to encourage mine operators to reclaim, through re-mining, abandoned mine lands and coal refuse piles.

While acknowledging certain benefits of the legislation, Casey said in his veto message that certain provisions of the bill placed "and unacceptable fiscal burden on the taxpayers" and also threatened what he called a "significant degradation to the waters of the commonwealth."

***** Rails-to-Trails** -- A Rails-to-Trails program was created under legislation (SB 640, Act 188/1990) approved by both the Senate and House.

Senate Bill 640 authorizes the state Department of Environmental Resources to acquire and develop abandoned railroad rights-of-way for recreational use. The program would be called the Pennsylvania Rails-to-Trails Program. The measure did not include an appropriation.

***** Wellsboro to Jersey Shore Rails-to-Trails** -- A bill dealing with a specific rails-to-trails project was signed into law as Act 120 on July 11, 1990. Senate Bill 967 allowed DER to accept a railroad line between Wellsboro and Jersey Shore and to assume liability for the line's use as a recreational trail.

***** Cave Protection** -- Legislation to protect Pennsylvania caves against vandalism was signed into law as Act 133 on Nov. 21, 1990.

Senate Bill 867 -- the Cave Protection Act -- prohibits damage and vandalism to caves. It also prohibits interference with cave life, but will allow bats to be killed if there is a threat to public health.

A companion bill, Senate Bill 868, would have made "cave exploration" a designated recreational activity under Act 586 of 1966. The designation would have limited landowner liability for personal damages when a cave is opened to the public. That bill was on the table in the House when the session ended.

***** Great Lakes Protection Fund** -- Pennsylvania was authorized to participate in the Great Lakes Protection Fund under legislation (HB 1529) signed into law as Act 34 on July 6, 1989.

The protection fund supports water quality improvement projects in the Great Lakes. Its primary goal is coordinating control over toxic pollutants entering the lake system.

Participating states other than Pennsylvania are Ohio, Indiana, Michigan, Minnesota, New York, Illinois and Wisconsin. Pennsylvania's share of the \$100 million fund was \$1.5 million over three years.

***** Pennsylvania Conservation Corps** -- The Pennsylvania Conservation Corps was reauthorized under legislation (HB 22) signed into law as Act 25 on July 1, 1989.

The corps provides job training for young people. Changes under Act 25 include:

-- eliminating the requirement that corps members be economically disadvantaged (economically disadvantaged applicants will be given preference);

- permitting the corps to participate in emergency projects outside Pennsylvania;
- prohibiting the Department of Military Affairs from proposing projects;
- allowing DER to contract directly with nonprofit organizations in Philadelphia for graffiti removal; and
- allowing the exchange of corps members and crew leaders with other programs.

Act 25 required that corps members be given access to educational opportunities such as literacy training and adult basic education.

*** **Beneficial Use of Waste** -- Legislation which encourages the beneficial use of municipal or residual waste was signed into law as Act 55 on July 11, 1989.

A "beneficial use" under House Bill 139 cannot harm the environment or people.

Previous law allowed DER to determine what constituted a waste but did not allow DER to permit the use of waste for other purposes.

*** **Sewage Facilities Act** -- Legislation which amends the Sewage Facilities Act was signed into law as Act 26 on July 1, 1989.

House Bill 52 allows rural residence permitting exemptions, requires additional sewage enforcement officers (SEOs), allows residential sewage system permits where soil mottling is present, requires training of sewage enforcement officers and re-establishes the State Board for Certification of SEOs.

Act 26 requires DER to approve sewage system plan revisions within 90 days during the first year after the act goes into effect and within 60 days thereafter.

On-lot sewage system permits will not be required for people who owned 10 or more acres of contiguous land prior to Jan. 10, 1987, and who live or plan to live on the land with no more than one other family. Local agencies may require permits by ordinance.

Local agencies are authorized to have at least one alternate SEO.

Individual residential sewage systems are allowed where soil mottling exists subject to strict conditions.

*** **Sewer and Waterworks Operators** -- Legislation which reestablished the State Board for Certification of Sewage Treatment Plant and Waterworks Operators was signed into law as Act 112 on Dec. 22, 1989.

The Department of Environmental Resources replaced the Department of Health as the department responsible for certification. Operator certificates must now be renewed annually, rather than biannually.

*** **Sewer Extension Permits** -- Department of Environmental Resources permitting requirements for some sewer extensions were eliminated under legislation (HB 439) signed into law as Act 40 on July 7, 1989.

Act 40 eliminates the need for DER permits for sewer extensions which collect not more than the sewage volume of 250 single family dwelling units. Extensions still must abide by DER rules and regulations and be consistent with a community's approved official sewage plan.

DER had to review sewer line extensions twice under the prior law. Act 40 eliminates one of the reviews.

* **Sewer System Cleaners** -- The Senate unanimously approved legislation that would have banned the use of "Restricted Chemical Materials" as sewage system cleaners.

Some chemicals were specified in Senate Bill 47; others could be designated by the Environmental Quality Board.

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

* **Landslide Insurance** -- Coverage under the Coal and Clay Mine Subsidence Insurance Fund would have been expanded to include damage from landslides under legislation unanimously approved by the Senate.

Senate Bill 1035 would also have increased the maximum coverage limit through the fund to \$500,000 (up from \$100,000 under current law). It would have placed the burden of proof on DER when mine subsidence or landslides occur within one mile of previous documented incidents. In such cases, DER would have to prove that the damage was not a result of mine subsidence or landslides.

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

* **Sinkhole Damage Assistance** -- A sinkhole damage assistance program would have been created under legislation (SB 1438) unanimously approved by the Senate. The program was intended to provide grants or low-interest loans to the owners of property damaged by sinkholes.

The measure would have created a Sinkhole Damage Revolving Loan Fund. The bill contained a \$1 million appropriation for the fund and a \$150,000 appropriation for an ongoing survey of the state's sinkhole problem.

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

* **Storm Water Projects** -- Storm water management projects would have become eligible for funding through the PENNVEST program under a bill unanimously approved by the Senate.

Senate Bill 1439 would have authorized a \$50 million bond issue to pay for the storm water control projects. The bond issue would require approval in a statewide referendum.

Loans to finance storm water projects would have been made through a new Storm Water Control Revolving Loan Fund.

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

* **In-Lieu-of-Tax Payments** -- The Senate approved legislation which would have increased in-lieu-of-tax payments to counties, school districts and townships under the Forest Reserves Municipal Financial Relief Law.

Senate Bill 729 would have authorized payment to counties and townships at the rate of 30 cents per acre and to school districts at 40 cents per acre. The current payment for all local taxing bodies is 20 cents per acre.

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

* **Asbestos Disposal** -- The Senate unanimously approved legislation (SB 371) which would have regulated the handling, transportation and disposal of asbestos-containing waste.

Asbestos-containing waste would be separated from other waste during transit and would be transported in covered vehicles. Disposal sites would be permitted by DER.

Senate Bill 371 specified procedures for handling and disposing of asbestos-containing waste. The disposal of such waste is not regulated under current law.

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

* **Alternative Fuels** -- Legislation (SB 1052) designed to encourage the use of alternative fuels, such as alcohol or natural gas, through the state purchase of alternative-fuel powered vehicles won the Senate's approval (47-0). The bill would also have established a state government task force to investigate alternative fuels.

It was in the House Conservation Committee when the session ended.

-- BANKING & INSURANCE --

*** **Car Insurance Rates Cut** -- After months of debate on competing proposals to cut skyrocketing auto insurance premiums in Pennsylvania, the General Assembly approved a comprehensive rate rollback law.

House Bill 121 (Act 6/1990), which went into effect July 1, 1990, not only called for mandatory reductions in car insurance premiums but included far-reaching provisions intended to attack the root causes of escalating auto insurance costs: excessive lawsuits, exorbitant medical fees, uninsured drivers and insurance fraud.

As the law became effective, several legal challenges from various interest groups were still pending and the state Insurance Department had approved certain exemptions for insurance companies that, under the law, were able to demonstrate "extraordinary circumstances" that prevented full compliance with provisions of the legislation.

As adopted in the Senate (45-5) and the House (155-42) and signed into law by the governor, the House-Senate conference committee report on the legislation provided for the following:

- a total premium rate rollback of at least 22 percent for persons who choose to bring lawsuits for "pain and suffering" only in the case of a serious, disabling injury; or when the accident was caused by a drunken driver, an out-of-state resident, or an uninsured motorist; or when the accident was intentionally caused;
- a total premium rate rollback of at least 10 percent for persons who wish to retain the ability to sue for "pain and suffering" in all instances;
- additional premium reductions for vehicles with automatic seat belts, air bags and anti-theft devices and for persons 55 years of age and older who successfully complete an improved driver course;
- the establishment of a "clean risk", more affordable alternative to expensive, "assigned" or high risk auto insurance rates for many young drivers and others if they have a three-year clean driving record;
- a cap on accident-related medical expenses at 110 percent of the prevailing medicare rate with the exception of costs incurred for treatment at trauma and burn centers;
- a reduction in mandatory minimum first party medical benefit coverage from the previous \$10,000 to \$5,000;
- optional, instead of mandatory, coverage for uninsured and underinsured motorists, for funeral expenses and for wage loss benefits;
- vehicle owners to present proof of insurance not only when their car is registered or when it's stopped by a police officer, but when their vehicle undergoes annual inspection;
- the suspension of a person's operators license and car registration and a fine of \$300 for operating a vehicle without insurance;
- sheriffs and constables, in addition to other law enforcement personnel, to seize registration plates and cards from uninsured motorists;
- insurance companies to notify PennDOT when an individual's auto insurance has been cancelled; and

-- auto insurance fraud to be treated as a third degree felony, punishable by up to seven years imprisonment and a \$15,000 fine, and insurance companies to develop and implement anti-fraud plans;

-- rejection of insurance company rate requests by the insurance commissioner when there hasn't been a hearing (effectively eliminating past practice where some insurance companies have been able to "deem" higher rates into existence);

-- the establishment of a stricter standard against drunken driving for the operators of commercial vehicles (drunk driving convictions could now be obtained when the blood alcohol content of a truck driver or other commercial vehicle operator is above .04 percent as opposed to the .10 percent level for other motor vehicle operators);

-- a study by the Insurance Department into the feasibility of a "single carrier" auto insurance company in Philadelphia; and

-- a market study by the Insurance Department to determine, among other things, insurance company profits and losses.

*** **CAT Fund Runs Out of Lives** -- With the demise of the controversial state-operated Catastrophic Loss Trust (CAT) Fund, legislation was enacted (SB 109, Act 4/1989) requiring private insurers to offer "extraordinary medical benefit" coverage for medical expenses between \$100,000 and \$1 million. Unlike the CAT Fund mandate, a motorist's purchase of such coverage under the new law is optional.

The legislation also permits, but does not require, two or more insurance firms to enter into a "voluntary pooling" agreement to make extraordinary medical benefit coverage available, subject to the approval by the insurance commissioner.

*** **Mortgage Bankers & Brokers Regulated** -- Legislation has been enacted (Act 90/1989) which creates the Mortgage Bankers and Brokers Act and provides for their licensing and regulating by the state Department of Banking and the State Real Estate Commission.

In short, Senate Bill 31 requires mortgage brokers to be licensed in Pennsylvania as was already the case with mortgage bankers.

A mortgage banker is defined as a person who directly or indirectly originates and closes mortgage loans with his own funds. A mortgage broker is defined as a person who directly or indirectly negotiates or places mortgage loans for others. A licensed mortgage banker may act as a mortgage broker without a separate license.

The minimum requirement for a mortgage broker's license is that the applicant must maintain a \$100,000 bond unless the broker can demonstrate that he or she doesn't accept advance fees. The initial license, which is good for one year, costs \$500 for the principal place of business and \$50 for each branch office.

*** **Insurance Coverage for Drug & Alcohol Rehab** -- Gov. Casey signed legislation (HB 1104, Act 106/1989) requiring all group health insurance policies to cover treatment for drug dependency. The legislation also made permanent a 1986 law requiring group policies to cover treatment for alcoholism.

The new law covers persons determined to be addicted to cocaine, crack and heroin. It also makes treatment available to persons who become addicted to prescription drugs.

The legislation requires that treatment, non-hospital residential and outpatient drug services be provided in a facility licensed as a drug treatment program by the state Department of Health. The bill requires health insurance policies to offer coverage for the following: four stays of seven days each in a detoxification center; three outpatient stays of 30 days each, and four inpatient stays of 30 days each.

The legislation was amended in the Senate to expand the categories of investments engaged in by property and casualty insurance companies designed to encourage investments in new businesses in the state. This includes venture capital limited partnerships in newly-established small businesses and minority-owned companies.

Under HB 1104, the state insurance commissioner, after notice and hearing, may order a company to limit or withdraw certain investments or discontinue certain investment practices if they endanger the solvency of the company.

*** **Mammograms Covered** -- A measure (SB 472, Act 37/ 1989) was enacted requiring health insurance companies to cover mammographic examinations for the early detection of breast cancer.

Passage followed on the heels of recommendations from the American Medical Association and the National Cancer Institute that women, beginning at age 40, should have a mammogram at least once every two years. Early detection of breast cancer is viewed as the key to successful treatment of the disease -- a disease which, in Pennsylvania, is diagnosed in more than 7,000 women and claims 2,500 lives annually.

Under the measure, health insurance companies are required to provide coverage for one mammogram each year for women over the age of 50. A physician's recommendation would be required for mammographic examination coverage of women under 50 years of age.

Meanwhile, other provisions of Act 37/1989 require health insurers that provide coverage for chemotherapy and cancer hormone treatments to provide payment for such treatment regardless of whether it's performed in a hospital, a doctor's office or other medically appropriate setting.

*** **Sunday Banking/Thrift Institution Interstate Banking/Mutual Holding Companies** -- Passed by the Senate and House was legislation (SB 1512, Act 191/1990) which, among other things, permits banks to be open on Sundays, provides for the formation of mutual holding companies, and allows savings banks and savings associations to do business in other states in which Pennsylvania has a reciprocal agreement for interstate banking operations.

Senate Bill 1512 permits mutual banks to reorganize into mutual holding companies if approved by the bank's board of directors and the state Department of Banking.

The legislation also permits reciprocal interstate operations by allowing out-of-state thrift institutions to acquire Pennsylvania savings banks, and permits out-of-state savings banks to establish Pennsylvania branches. Pennsylvania savings banks and associations are permitted to do the same in other states.

The measure allows the department to disapprove an application for any interstate acquisition or interstate branch if the transaction doesn't meet regulations, would lead to unsafe and unsound practices, or the financial or management resources are questionable.

Additionally, SB 1512 permits savings banks and business corporations which own all of the issued and outstanding shares of a savings bank to merge or consolidate with out-of-state thrift institutions.

The new law also grants financial institutions the authority to become a member of the Federal Home Loan Bank System and exercise their complete rights as members, and it permits banks to conduct business on Sunday.

*** **Credit Interest Rates Reenacted** -- Because the amendment process utilized by the General Assembly in the enactment of Act 15 of 1988 was ruled unconstitutional by Commonwealth Court, the legislature was forced in 1989 to pass a new law establishing a credit card and rent-to-own interest rate ceiling.

House Bill 1299 (Act 57/1989), reenacts until February 26, 1991 an 18 percent maximum annual interest rate on credit cards, bank cards and rent-to-own purchases in Pennsylvania. The maximum allowable interest rate on gasoline credit cards is 15 percent.

Without this legislative action, rent-to-own companies would have been free to charge customers unrestricted fees while credit card and bank card interest rates would have automatically reverted to 15 percent.

*** **Credit Union Investments Restrictions Proposed** -- Legislation has been enacted (Act 95/1989) to prohibit credit unions in Pennsylvania from investing in corporations that -- either by themselves or through subsidiaries or affiliates -- are doing business in South Africa or Namibia.

Under Senate Bill 548, the investment prohibition applied to future investments by credit unions. Previous investments were not be affected.

Another provision of the legislation allows credit unions to invest their funds in trusts outside of their direct or indirect control and raise the existing 25 percent cap to 50 percent on the amount of credit union funds that can be used to finance home mortgage loans.

The legislation also prohibits any person with a misdemeanor or felony conviction involving dishonesty from becoming an officer, director, committee member or employee of a credit union unless certain conditions are satisfied. Additionally, the legislation provides for civil action if a credit union is operated in violation of the Credit Union Act and it increases fines for violation from a minimum of \$1,000 to a maximum of \$10,000. Previously, fines ranged from \$10 to \$1,000.

*** **Licensing Mortgage Loan Brokers** -- The governor signed into law (Act 36/1989) legislation (SB 339) that provides for the regulation and licensure of secondary mortgage loan brokers in Pennsylvania. The measure creates a new licensing category that distinguishes secondary mortgage brokers from secondary mortgage lenders, which have been licensed in Pennsylvania since 1980. The new law seeks to protect consumers by licensing previously unregulated companies that arrange, or broker, but do not actually finance home equity loans.

*** **Open-End Mortgage Proposal Ok'd** -- Legislation has been enacted (SB 693, Act 126/1990) which provides that if there is a binding commitment to make future advances on an open-end mortgage, the priority of that lien will be from the date of the original recording and for the total of all advances made under the agreement. Under this measure, subsequent loans will still be prioritized according to their dates of recording, i.e. first made, first priority. However, no subsequent loan would take priority over any advance made at any date if that advance was made pursuant to an open-end mortgage which was recorded prior to the subsequent loan. An open-end mortgage gives the borrower a maximum line of credit, secured in most cases by the equity in their home.

*** **Heavy Commercial Vehicles Defined** -- Legislation has been enacted (Act 25/1990) that further defines "heavy commercial motor vehicle" as any new or used vehicle, which is either a truck having a manufacturer's gross vehicular weight of 15,000 pounds or more, or a semi-trailer or trailer designed for use in combination with a truck or truck tractor.

House Bill 382 also provides for a flexible payment schedule upon the sale of a "heavy commercial motor vehicle," and states that if the payments are for equal amounts and periods of time, the contract must indicate the finance charge, times balance and payment schedule.

In addition, the default charges may not exceed 4 percent per month on the amount in arrears in a contract for the sale of a heavy commercial vehicle. This differs from the 2 percent limitation which applies to all other installment sales contracts.

*** **Financial Counseling Services** -- Passed was legislation (SB 1415, Act 190/1990) designed to tighten controls over persons rendering advice on financial investments.

Senate Bill 1415 increased the enforcement powers of the Pennsylvania Securities Commission to prevent fraud perpetrated against consumers of financial counseling services.

Under prior state law, certain employees (associated persons) of investment advisors who actually conduct investment counseling are not required to be registered. This measure requires licensing of an "associated person" at a cost of \$50. As amended by the House, it also increased the various filing fees required for the sale of securities.

An "associated person" is anyone employed by or associated with an investment advisor who renders advice; manages accounts for clients; makes recommendations on investments; or supervisors employees in any of the above mentioned activities.

Under this law, the securities commission was to issue guidelines regarding the registration, licensing and regulation of associated persons subject to review by the Attorney General.

Supporters of the legislation said the measure was needed because approximately \$400 million was lost between 1986 and 1988 due to fraud and abuse in the financial planning industry.

* **Long Term Care Insurance Regs Proposed** -- A bill was approved by the Senate but died in the House that would have created the Long Term Care Insurance Act to establish standards for long term care insurance.

Senate Bill 959 was designed to protect the elderly from unscrupulous insurance agents who prey on the fears of senior citizens and entice them to purchase long term care insurance which doesn't meet their needs and straps them with unnecessary costs.

* **Car Rental Agreements** -- Legislation (SB 902) was approved by the Senate but died in the House that would have prohibited a car rental company from charging a driver, who leases a vehicle, a fee for collision insurance if the rental agreement is for a period of 30 days or less.

* **Credit Service Protection** --Legislation designed to

protect consumers who use credit services organizations was approved by the Senate but died in the House Business and Commerce Committee.

Under Senate Bill 1213, prior to signing a contract, a credit services organization would have had to provide its client with a written statement detailing the services to be performed, the amount to be paid, and the client's right to review credit agency files and dispute the accuracy of any information contained in those files.

* **Homeowners' Tax Discount** -- A bill was passed by the Senate that would have guaranteed homeowners the benefit of a property tax discount rate even if their local tax bills are being paid by mortgage companies through an escrow account.

Supporters argued that Senate Bill 561, which died in the House, is needed because some mortgage companies have been known to keep the cash difference between the full tax bill and the discount rate for paying early.

* **Coverage for Speech & Hearing Services** -- Legislation was approved by the Senate but died in the House that would have mandated insurance companies to pay for services provided by speech and hearing professionals.

Under Senate Bill 1099, insurance companies would have had to pay for services performed by a licensed speech-language pathologist, audiologist, or a teacher of the hearing impaired.

* **Insurance Commissioner's Powers** -- The Republican-controlled Senate approved legislation over the objection of Democrats that was designed to diminish the authority of the state insurance commissioner.

Senate Bill 155, however, died in the Democrat-controlled House Insurance Committee.

The measure would have permitted the courts to appoint a person --other than the commissioner or his or her deputies-- to act as a rehabilitator or liquidator in delinquency proceedings or when the insurance department had petitioned to liquidate a domestic insurance company.

*** **Corporation Laws Updated** --Legislation (SB 1761, Act 198/1990) was passed by both houses to address administrative problems which have arisen within the Department of State's Corporation Bureau in the course of administering the General Associations Act (GAA) of 1988.

Among its provisions, the measure gives the department until the end of 1991 to promulgate permanent docketing statements and other forms. It also increases filing fees by an average of 22 percent and guarantees that 30 percent of the increased levies will be devoted to the corporation bureau's operations.

-- AGRICULTURE AND RURAL AFFAIRS --

*** **"U-Pick" Immunity** -- Both Houses unanimously passed and the governor signed legislation (HB 2178/Act112/1990) that exempts U-pick farm operations from liability arising from injuries suffered by customers who "pick their own" farm produce. The liability limitation would not apply if the injury was caused by a condition which involved an unreasonable risk of harm and the owner knew or had reason to know of the condition and failed to exercise reasonable care to make it safe or issue warning of the risk.

*** **Economic Development Funding for Agriculture** -- The governor signed legislation (HB 110, Act 46/1989) to provide special low-cost financing, as part of the state's Capital Loan Fund program, to assist food processors and other manufacturers who use agricultural products as their raw materials with the purchase of land, buildings, machinery and equipment.

Eligible applicants will receive loans of up to \$100,000 or 50 percent of the total cost of the project, whichever is less. Applicants must demonstrate a need to maintain or increase market position as well as the potential for job creation. Funding may not be used to finance the transfer of a business from one part of the state to another unless the project would result in a 25 percent increase in employment.

*** **"Dangerous" Dogs** -- The governor signed legislation (HB 820, Act 46/1990), unanimously passed by the Senate and House, that will help control "dangerous" dogs by cracking down on their owners.

A district justice would determine whether a dog is "dangerous." Once the determination is made, the owner of the animal would be required to obtain a certificate of registration, confine it in a proper enclosure and post the premises. He also would be required to post a surety bond of \$50,000 or obtain a liability insurance policy in the same amount.

* **Rabies Control** -- The Senate unanimously passed legislation (SB 784) that would require the state Department of Agriculture to establish a 24-hour toll-free rabies hotline and supply rabies vaccine and syringes to low-cost anti-rabies clinics throughout the state. The House failed to act on the measure.

* **"Roadside Stand" Sales** -- Passing the Senate was a bill (SB 986) exempting farmers who produce and sell their products from "roadside stands" on their property from nuisance suits, local ordinances and zoning prohibitions against such operations. The measure didn't receive House action.

* **"The Puppy Mill" Bill** -- The Senate passed legislation (SB 934) which would protect consumers from unscrupulous pet dealers.

The bill would create the Dog Purchaser Protection Act with the following provisions:

-- It would require a veterinarian to certify that an animal is in good health prior to its sale.

-- It would give buyers specific rights to return an animal for refund or replacement if it suffered from an illness or congenital defect.

-- It would permit the buyer to keep the pet and have it treated, and the treatment costs would be paid by the seller up to the animal's selling price.

The House Health and Welfare Committee did not act on the bill.

-- URBAN AFFAIRS & HOUSING --

*** **Eviction of Drug Traffickers** -- The Senate and House passed a bill (HB 1549, Act 221/1990) providing for the eviction of drug traffickers and users from rental units and public housing projects.

The legislation gives landlords the authority to terminate the leases of individuals convicted once on drug trafficking charges or convicted twice on drug possession charges. Additionally, the seizure of any illegal drug by law enforcement authorities on the premises of a tenant's dwelling would constitute cause for eviction.

The legislation also clarifies the rights of cable television companies in providing services to apartments and public housing.

*** **Pennsylvania Neighborhood Housing Services Program** -- The governor signed legislation (HB 317, Act 102/1990), unanimously passed by both houses, creating the Pennsylvania Housing Services program for the purpose of providing funds to assist in the rehabilitation of neighborhoods. The 1990-91 state budget included \$250,000 for grants to five grass roots housing agencies in Philadelphia, Reading, Allentown, Pittsburgh and Scranton that offer programs enabling low and moderate-income individuals to obtain and refurbish homes in neighborhoods suffering from deterioration.

*** **Homeowner's Emergency Assistance Program** -- The governor signed legislation (HB 540, Act 79/1989) that continues the Homeowner's Emergency Mortgage Assistance Program (HEMAP) until Dec. 23, 1992.

The program provides mortgage assistance to low and moderate income homeowners who face the danger of losing their homes because of economic conditions beyond their control.

*** **Housing Authority Bidding Requirements** -- Both houses passed legislation (HB 1335) that the governor signed into law (Act 13/1990) which would allow housing authorities to award contracts for projects that are less than \$10,000 without advertising or putting the project out for bids. Prior to this law, advertising and bidding was required for projects costing over \$4,000.

*** **Renovation of the Freedom Theatre** -- The governor signed legislation (SB 845/Act 99/1990) that permits the Pennsylvania Historical and Museum Commission to purchase and renovate the Freedom Theatre building in Philadelphia, Pennsylvania's oldest black theatrical institution. Other provisions of the law permit the New Freedom Theatre to establish a lease agreement with the commission and eventually repurchase the theatre at a later date.

There was a \$4 million allocation to restore the facility.

*** **Landlord/Tenant Utility Bills** -- Legislation (HB 2309, Act 217/1990) that limits the circumstances under which a landlord would be liable for his tenant's unpaid sewer and water bills passed both Houses.

Under the measure, the owner is required to pay the water bill for up to 90 days if the authority notified the owner within 30 days after the tenant's bill becomes overdue. The landlord does not have to pay the bill if the authority refuses, or is prevented by court order, from terminating service.

The owner would be required to pay the sewer bill unless the authority failed to provide the required notice.

*** **Philadelphia Sheriff's Sale Legislation** -- The legislature passed legislation (HB 68, Act 199/1990) that would protect persons in Philadelphia who buy property at a sheriff's sale.

The current law allows persons who owned the property prior to the sheriff's sale to redeem the property within 90 days of the sale. This legislation would eliminate the 90 day option for the prior owner.

-- STATE GOVERNMENT --

*** **Charity Fund-Raising Rules** -- In an effort to further protect the interests of citizens who make charitable contributions, the Senate and House passed legislation (HB 365, Act 202/1990) to strengthen regulations on those who solicit funds and to provide for the disclosure of how monies raised are used.

Under the measure, professional solicitors are required to fully identify themselves and the charity they are working for, and give a description of how an individual's donation will be used. All printed solicitations will contain a state-operated toll-free number for consumers to call to find out more about a particular charity or fund-raiser.

Fund-raising fraud is punishable by a jail term of up to five years and/or a fine of up to \$10,000. Any violation of the new law's various provisions could result in fines of up to \$1,000 for each violation and the revocation or suspension of an organization's fund-raising authority. The state attorney general and district attorneys are given pre-complaint subpoena power to investigate non-profits and fund-raisers.

*** **Statewide "911" Emergency Call System** -- A conference report on a measure (SB 576) that authorizes a statewide "911" emergency telephone system was unanimously adopted by the Senate and House and was signed by the governor as Act 78/1990.

The legislation permits the extension of "911" service to those areas of the state that don't already have it through the imposition of a surcharge on the bills of local telephone customers. All or parts of only 31 of the state's 67 counties currently had "911" service at the time of the bill's enactment. A caller to "911" is able to reach an emergency dispatcher for police, fire and ambulance personnel.

The amount of the surcharge would depend on the size of the county being provided the "911" service. Telephone customers in heavily populated counties would pay no more than \$1 per month. Customers in sparsely populated counties could pay up to a maximum of \$1.50 per month.

*** **New Funding for Emergency Services Equipment** -- Legislation (HB 591) was unanimously passed by both houses and signed into law (Act 100/1990) by the governor that provides for an additional \$25 million to help finance volunteer fire company, ambulance service and rescue squad equipment purchases.

A bond issue, approved by voters in a November 6, 1990 ballot referendum, will help keep the state's special loan fund for emergency service organizations solvent through the 1994/95 fiscal year.

The legislation increased the minimum loan for all companies from \$1,000 to \$5,000.

The maximum loan for firefighting apparatus was increased from \$50,000 to \$100,000 and the limit for expensive "aerial apparatus" was set at \$150,000.

If the fire companies purchase used equipment, the maximum loan is set at \$60,000 or 80 percent of the total cost of the equipment, whichever is less.

The maximum for ambulance companies is raised from \$25,000 to \$50,000 and the limit for the new category of "watercraft" is set at \$15,000.

The maximum loan for a five-year term is increased from \$10,000 to \$15,000 for all volunteer units. Loans between \$15,000 and \$100,000 can be financed over a 10-year period. Loans exceeding \$100,000 can be stretched over a 15-year period.

If the equipment is manufactured or assembled in Pennsylvania, the loan may exceed the established limits by \$10,000.

The governor line item vetoed a section of the bill that provided funds for the state Department of Transportation and the Department of General Services to contract with volunteer fire, ambulance and rescue companies for their services on state highways and limited access roads. The governor's veto noted that such funding was not included in the 1990-91 state budget.

*** **New Ethics Law** -- The General Assembly passed and the governor signed into law a bill (HB 75, Act 9/1989) extending the state Ethics Commission until December 31, 1999 and requiring state and local public officials to disclose their finances, avoid conflicts of interest and meet high standards of official conduct.

Among other provisions, the new law bans honorarium payments to public officials for speaking engagements; prohibits public officials from hiring family members including parents, spouses, children, brothers and sisters; requires the disclosure of gifts exceeding \$200 in value and travel, lodging and hospitality expenses that exceed \$500 and are paid for by interest groups; prohibits newly appointed public officials from entering into agreements for severance pay from previous employers at the time of or after consideration or acceptance of public office or employment; protects government employee "whistle blowers" who allege ethical misconduct on the part of fellow employees or public officials; and exempts public officials from ethics law violations if they were following the advice of their solicitor on whether an action was proper and the solicitor's opinion was not rendered "under duress" or as a result of collusion to intentionally violate provisions of the law.

*** **Voting/Absentee Ballots** -- Legislation (SB 577) which, among other things, gives parents the legal right to take their minor children into the voting booth to witness the balloting process on election day became law (Act 169/1990). The legislation also requires timely distribution of absentee ballots to military and other overseas electors, increases the reimbursement to counties for overseas military absentee ballots and allows for ballot color-coding of candidates for a specific office.

*** **Civil Service Commission** -- The state's Civil Service Commission was reauthorized through the end of 1997 under House Bill 162, unanimously passed by both houses and signed by the governor as Act 10/1989.

Political activities by covered employees are restricted under the law which prohibits the use of official authority or influence to affect the result of an election. Civil service employees are prohibited from taking an active part in political management or in a political campaign. The law also makes a number of changes pertaining to record keeping, the definition of seniority and reclassification.

*** **State Athletic Commission** -- The State Athletic Commission was reauthorized through the end of 1998 under House Bill 1197 which was unanimously passed by both the House and Senate and signed by the governor as Act 28/1989.

*** **Requirements for the Chairman of the Medical Advisory Board** -- Both houses passed and the governor signed legislation (SB 971/Act 31/1990) that would provide for the chairman of the Medical Advisory Board of the state Athletic Commission to serve as an ex-officio member of the Athletic Commission.

The measure also requires that the chairman who is appointed by the governor be a Pennsylvania licensed doctor who is experienced in sports medicine.

*** **Professional Wrestling Regulation** -- Along with boxing, professional wrestling will continue to be regulated by the State Athletic Commission under House Bill 1198 which became Act 29/1989.

Wrestling license fees and the current 5 percent total gross receipts tax will be paid into the commission's augmentation account to cover administrative costs.

*** **Independent Regulatory Review Commission (IRRC)** -- The Independent Regulatory Review Commission (IRRC) was reauthorized until December 31, 1993 under legislation (SB 1093) passed by both houses and signed by the governor as Act 19/1989.

*** **Eminent Domain Dislocation Damage Payments Increased**

-- Legislation (HB 254) was signed by the governor as Act 2/1989 that brought the state's Eminent Domain Code into compliance with federal law. Enactment of the bill was necessary to avoid loss of federal funding to a number of flood control, highway, redevelopment and economic development projects throughout the state.

The measure increased the housing supplement paid to homeowners who are dislocated as a result of condemnation proceedings from \$15,000 to \$22,500 and the rental supplement from \$4,000 to \$5,250. The bill also expanded the definition of "displaced persons" to include a residential tenant.

Businesses facing dislocation as a result of eminent domain proceedings will receive a maximum of \$20,000 in dislocation damage payments for loss of profits at a new location under the bill. Previous law capped business dislocation payments at \$10,000.

*** **Radiological Emergency Response Planning** -- Unanimous Senate and House approval led to the enactment of Senate Bill 1055 as Act 85/1989 that mandates ongoing radiological emergency response preparedness planning by the Pennsylvania Emergency Management Agency (PEMA). Funding comes from an assessment on the state's nuclear power plants.

*** **Election District Boundaries** -- Act 101/1989 requires future changes in election district boundaries to be drawn along census block lines or, when districts are combined, requires the new district to be composed entirely of portions of the district's original boundaries. Introduced as Senate Bill 1332, the measure received unanimous approval in both houses and will allow the legislature to utilize new computer technology in developing a legally sound redistricting plan. The law also requires counties to report vote tallies and the number of registered voters within 30 days after an election.

*** **State Song** -- The Governor signed legislation (HB 200/Act 150/1990) that establishes a state song entitled "Pennsylvania," lyrics and music by Eddie Khoury and Ronnie Bonner.

*** **Firefighter's Memorial Flag** -- Both houses passed legislation (SB 1773, Act 168/1990) establishing a Firefighter's Memorial Flag to be displayed over firefighters' memorials, funeral processions and certain public buildings for up to seven days after the death of a firefighter.

** **State Leases** -- Senate Bill 373, unanimously passed by the Senate, would require state agencies to publish in a local daily newspaper notification of any pending decision to terminate, or not renew, a state lease of a building in a municipality. The bill's provisions would not apply to buildings leased at the state Capitol complex in Harrisburg.

The measure was passed by the House with amendments and returned to the Senate which failed to act on the amended bill.

* **Computer Viruses** -- State computer systems would be better guarded against computer "viruses" under Senate Bill 16, known as the Pennsylvania Computer Security Act. The bill, unanimously passed by the Senate, would require state agencies to identify state computers or computer systems which contain sensitive information or critical data, and develop a security plan for protecting against so-called computer virus infection.

The House failed to act on the measure.

* **Handicapped Access to Polling Places** -- Handicapped and elderly individuals would have better access to polling places under Senate Bill 312. In the event a polling place is inaccessible, the measure would require county election boards --upon the advance request of a handicapped or elderly voter -- to reassign the voter to an accessible poll or to provide an alternative means of voting on election day.

The House failed to act on the measure.

* **Sample Ballots** -- The Senate unanimously passed legislation (SB 968) that would require sample ballots to be delivered to candidates and party officials on request at least 20 days before an election. Current law requires the ballots to be delivered on the Thursday preceding each election.

The measure died in the House.

* **Candidate Nominating Petitions** -- Signers of nominating petitions for candidates for public office would no longer have to list their occupations on nominating forms under Senate Bill 732 which cleared the Senate by a 50-0 vote. The bill also would require nomination petitions to include the "precise mailing address and municipality" of each signer.

The bill failed to receive House consideration.

* **Volunteer Fire and Ambulance Reimbursements** -- The Senate unanimously passed legislation (SB 482) that would provide state reimbursement to volunteer fire, ambulance and rescue companies which respond to fires or provide emergency services on state-owned property or limited access highways.

The bill never made it out of the House State Government Committee.

* **Ethnic-American Social Services** -- Senate Bill 916, designed to aid segments of Pennsylvania's ethnic population facing language and other obstacles by apprising them of government service programs that could be available to them, passed the Senate by a 47-1 vote. Under the bill, outreach programs would be administered by nonprofit social service organizations and financed by grants of up to \$150,000 per year using a \$2 million appropriation contained in the bill.

The House failed to act on the legislation.

-- MILITARY AND VETERANS AFFAIRS --

*** **Protection of Rights for "Activated" Military Reservists** -- As thousands of military reserve and National Guard personnel were called to duty in the Persian Gulf in the wake of Iraq's invasion of Kuwait, the state Senate and House moved to protect the rights of Pennsylvania's men and women in uniform while they're away from their jobs, homes and families.

Passed unanimously was legislation (SB 1366, Act 174/1990), retroactive to August 1, 1990, requiring public and private employers to automatically extend military leaves of absence to reservists called or ordered to active duty.

Employment or reemployment discrimination based on military service is prohibited and the state Department of Military & Veterans Affairs is charged with investigating alleged violations. State and local government employees who are called to military duty are granted leaves without loss of seniority or efficiency rating.

Additionally, the legislation requires all employers to pay for continued medical coverage and other benefits for activated Pennsylvania National Guard and military reservists for the first 30 days of military duty. After 30 days, employers are required to give such employees the option of continuing coverage at the employee's own expense but at the same group rate paid by the employer.

Another provision bars the eviction of activated Pennsylvania National Guard or reservists or members of their families and dependents from their homes or apartments while on active military duty. Eviction proceedings for failure to pay rent could be stayed by a court for six months.

Activated reservists or National Guard members who were attending college before being called to duty are also protected by a special educational leave of absence under the legislation. Upon release from military duty, such individuals will be entitled to a full restoration of educational status without loss of academic credits earned, scholarships or grants awarded or tuition and other fees paid prior to military duty.

Further, the legislation provided for the creation of a group life insurance program for Pennsylvania National Guard and military reserve personnel that would insure members for up to \$100,000 each and their spouses and dependents to up to \$25,000 each. Also, as originally proposed, Senate Bill 1366 extended the state Veteran's Memorial Commission -- which otherwise would have gone out of existence December 31, 1990 -- until June 30, 1992.

*** **POW/MIA Flag** -- Enacted were a series of bills authorizing local municipalities to fly the POW/MIA flag (See Local Government).

*** **PA National Guard Joins Drug Fight** -- Members of the

Pennsylvania National Guard are now authorized to take part in the "war" against illegal drugs following passage by the legislature of House Bill 1429. The measure was signed into law on July 7 as Act 42 of 1989.

The new law permits the governor to place volunteer members of the National Guard on special duty to support drug eradication and interdiction operations. Both officers and enlisted personnel would be entitled to pay and allowances, based on rank. The minimum pay would be \$45 a day.

In addition, the legislation also enables the governor -- without declaring an emergency -- to place volunteer members of the guard on duty to meet other community needs.

When members are ordered to support anti-drug operations, the governor must report to the General Assembly what operations were performed, the number of personnel involved and the types of equipment used.

*** **Veterans' Settlement Tax Exemptions** -- Legislation (SB 627) signed into law as Act 87 on July 10, 1990, grants state and local tax exemptions to settlements received by veterans as a result of exposure to herbicides containing dioxin (such as Agent Orange).

The settlements are not to be used to determine eligibility for state or local government benefit programs.

The tax exemptions and benefit exclusions are available to disabled veterans or their beneficiaries. They are retroactive to Jan. 1, 1989.

*** **Armory Sales; Rentals** -- Revenue from the sale or rental of state armories will be placed in a new State Treasury Armory Fund under legislation (HB 1374) signed into law as Act 104 on July 11, 1990.

The fund will be used to pay for repairs, maintenance, equipment, furniture and other improvements at Pennsylvania armories.

Under prior law, revenue from the rental of armory facilities was charged against the Department of Military Affairs' general government appropriation.

* **Veterans' Memorial Appropriation** -- The Senate approved (33-17) legislation which would have appropriated \$1 million to help pay for a Veterans Memorial to be erected at Fort Indiantown Gap National Cemetery.

Senate Bill 824 was in the House Military and Veterans Affairs Committee when the session ended.

* **National Guard Tuition Grants** -- The Senate voted to spend \$3.5 million for a new tuition grant program for active members of the Pennsylvania National Guard. Senate Bill 1286 would have given guard members grants of up to \$2,200. Financial need would not be considered in awarding the grants.

The bill was approved by a vote of 33 to 17. It was in the House Military and Veterans Affairs Committee when the session ended.

*** **Vietnam Veterans Health Initiative Commission** -- Legislation which extends the expiration date of the Vietnam Veterans Health Initiative Commission was signed into law as Act 116 on July 11, 1990.

House Bill 2362 set a new expiration date of June 30, 1993.

-- CONSUMER PROTECTION AND PROFESSIONAL LICENSURE --

*** **Time Shares/Campground Memberships** -- Two new laws aimed at regulating against high-pressure and misleading sales promotions in the times shares/campground membership business were enacted.

House Bill 11, which became Act 58 of 1990, gives persons who buy such memberships five days to cancel the purchase. Act 58 also requires brokers who sell cemetery lots to give prospective buyers or sellers information about the Real Estate Recovery Fund.

Senate Bill 430, which became Act 69 of 1990, requires that time shares and campground memberships only be sold by licensed brokers or salespersons and regulates the use of prizes as a marketing tool. All mail offerings must be written in plain language. The Real Estate Commission can refuse or suspend a license and/or levy fines of up to \$1,000 if it determines that a prospective purchaser was deceived or that prizes or lotteries were used deceptively.

The legislation also requires that real estate brokers clearly disclose whether they represent the buyer or the seller.

*** **Ticket Scalping** -- Legislation to discourage ticket "scalping" was signed into law as Act 62 on June 29, 1990.

House Bill 946 prohibits the resale of a ticket for a price greater than 25 percent of its cost, or \$5, whichever is greater. Violations will be punishable by a \$300 fine for the first offense. Subsequent offenses will be second degree misdemeanors which are punishable by a fine of up to \$5,000 and a jail term of up to two years.

*** **Health Club Regulation** -- Health clubs are now regulated under legislation signed into law as Act 87 on Dec. 21, 1989.

Senate Bill 134 gave the Bureau of Consumer Protection in the state Attorney General's Office authority to register and regulate health clubs.

Health club contracts must include provisions for penalty-free cancellation within three business days; membership extension if a facility temporarily closes or if the buyer has a temporary disability; and for cancellation and pro-rated refunds if a club re-locates or goes out of business, if a buyer dies or becomes permanently disabled or if a buyer moves 25 additional miles away from the club and is unable to transfer membership to a comparable facility within 5 miles of his or her new home.

Contracts of up to 36 months are permitted.

Bonds or letters of credit are required, with the amount depending upon the length of club contracts and the number of members in a club. Exceptions to the bonding requirements are allowed if specific conditions are met.

*** **Asbestos Abatement Regulation** -- Legislation (SB 759, Act 194/1990) regulating asbestos abatement practices and establishing statewide certification standards for people who perform abatement projects cleared the General Assembly.

Standards are to be established by the state Department of Labor and Industry. People who seek certification are required to complete an accredited training course and pass a written examination.

Under the measure, contractors who perform asbestos abatement projects must file reports with the Department on the amount of asbestos removed and the landfill where it was shipped.

*** **PUC Document Disclosure** -- Documents prepared by or for the Public Utility Commission must be publicly released under legislation signed into law as Act 3 on April 21, 1989.

House Bill 6 was prompted by a PUC investigation into Bell of Pennsylvania. An independent investigator engaged by the PUC prepared a report which the PUC refused to make public.

The legislation applies to documents which the commission uses when it "makes a decision, enters into a settlement with a public utility or takes any other official action." Documents prepared by PUC staff or by outside consultants are affected.

The measure also gives new rights to parties of record before the PUC in a commission investigation, inquiry or hearing. Parties of record are permitted to review recordings of testimony to ensure their accuracy. The law does not require electronic recording of testimony.

The legislation took effect immediately, and applies to any PUC action taken or pending within 180 days of its effective date.

*** **Consumer Advocate** -- The Office of Consumer Advocate was re-established by legislation (HB 1895) signed into law as Act 84 on Dec. 20, 1989. The office will expire on Dec. 31, 1999, unless reestablished by the General Assembly.

* **Unsolicited Phone Calls** -- The Senate unanimously approved legislation which would have prohibited unsolicited commercial phone calls, including those using recorded messages, between 9 p.m. and 9 a.m. The bill was in the House Consumer Affairs Committee when the session ended.

* **Computer Phone Calls** -- Computer-operated telephone calls would have to be terminated within five seconds if the receiving party hangs up under a bill unanimously approved by the Senate.

Senate Bill 340 would also require users of automatic dialing announcing devices to register with the Public Utility Commission. The bill was in the House Appropriations Committee when the session ended.

* **Junk-Fax Ban** -- Legislation which would have banned so-called "junk-fax" was unanimously approved by the Senate. Senate Bill 1025 prohibited unsolicited transmissions to a facsimile machine for the sale of realty, goods or services, or the promotion of goods, services or persons for profit. The bill was in the House State Government Committee when the session ended.

* **Item Pricing** -- The Senate unanimously approved legislation which would regulate how stores display their prices.

Under Senate Bill 901, stores which use point-of-sale terminal scanning devices would have to either mark prices on each item of merchandise or clearly display the price on a shelf tag. Shelf tags would have to be placed in the middle of the item display and clearly identify the name, net contents and correct retail price.

When a scanner price for an item is higher than the price marked on the item or on the shelf, customers would receive the item free of charge as long as its price is not more than \$10.

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

*** **Philadelphia Taxicabs** -- Legislation which created a medallion system for taxicabs in the City of Philadelphia was signed into law as Act 21 of 1990.

Senate Bill 851 provided that the medallion system be administered by the state Public Utility Commission. Up to 1,600 medallions can be issued. The commission was authorized to establish a fee schedule for the initial issuance of medallions and for any subsequent transfers. It proposed an initial fee of \$1,250 per year.

The PUC is also responsible for the establishment of uniform rates for passengers. Medallions are property not subject to revocation or cancellation by the PUC. Taxicabs cannot be operated without both a medallion (attached to the vehicle's hood) and an authorizing certificate. The PUC may cancel authorizing certificates for due cause. If a certificate is cancelled, its holder may sell the accompanying medallion.

Although the PUC has administrative responsibility under the law, enforcement powers were to be contracted to the City of Philadelphia.

*** **Taxicab Fund, Utility Groups** -- Money deposited in the First Class City Taxicab Regulatory Fund may be used only for the regulation of Philadelphia taxicabs under legislation signed into law as Act 56 on June 22, 1990.

House Bill 387 will also change the way utilities pay regulatory expenses to the PUC, allowing the PUC to deem water and sewer utilities as a utility group. The change is expected to reduce the assessment burden on sewer utilities.

* **Amusement Ride Safety Advisory Board** -- The Senate unanimously approved legislation (SB 963) which would have statutorily reinstated the Amusement Ride Safety Advisory Board in the state Department of Agriculture.

The board expired on Dec. 31, 1987. Its members have continued to serve since then as the Amusement Ride Safety Committee, convened by the Secretary of Agriculture. The bill was in the House Appropriations Committee when the session ended.

*** **Utility Property Acquisition** -- Public utilities may include property acquisition costs in their rate base as a result of legislation signed into law as Act 24 on April 4, 1990.

House Bill 24 established a number of conditions which must be met before acquisition costs may be included in a utility's rate base. Those conditions include requirements that the property be used to provide water or sewer service, the utility acquired has 1,200 or less customers, the utility acquired wasn't providing adequate service and that the purchase price is reasonable. Assurances must be made that customers will receive adequate service.

Customers will have to be notified before an acquisition is approved by the PUC.

*** **Realtor Education** -- Real estate brokers or salespeople are required to take 14 hours of continuing education every two years as a condition of license renewal under legislation (SB 558) signed into law as Act 77 on July 9, 1990.

People holding inactive licenses must complete the 14 hour continuing education requirement to reactivate their licenses.

*** **Real Estate Appraiser Certification** -- Real estate appraisers are to be certified as a result of legislation signed into law as Act 98 on July 10, 1990. Certification was required under a 1989 federal law.

Senate Bill 756 called for the creation of a new licensing board to oversee real estate appraiser certification. Appraisers will not have to be certified unless they do federal work. States must have board-certified appraisers in place by July 1, 1991 to comply with the federal law.

* **Electrical Contractors Licensing** -- The Senate approved legislation (SB 71) which would have created an Electrical Contractors Licensing Board to license and regulate electrical contractors.

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

* **Hearing Aid Fitters** -- The Senate unanimously approved a bill which would have required an approved examination of applications for a hearing aid fitter's certificate.

Senate Bill 521 also required continuing professional education for registered hearing aid fitters.

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

* **Barber Students** -- The Senate approved legislation to permit people who have completed training at an approved barber school to work as a barber while awaiting to take their state examination.

Unlicensed barbers would have to work under a qualified and licensed manager-barber in a licensed barber shop.

Senate Bill 1585 was in the House Professional Licensure Committee when the session ended.

** **Auctioneer Recovery Fund** -- The Senate unanimously approved legislation (SB 987) which would have created an Auctioneer Recovery Fund.

The fund would pay claims of fraud, misrepresentation or deceit in cases which fall under the Auctioneer and Auction Licensing Act. It would be financed by fees and assessments paid by licensees.

The bill had returned from the House, with amendments, and was in the Senate Rules Committee when the session ended.

** **Gas Pipeline Penalties** -- Penalties for gas pipeline safety violations would have been increased under legislation unanimously approved by the Senate.

Senate Bill 1091 made the owner of a pipeline responsible for safety violations. Penalties under the bill included a \$10,000 fine for each violation for each day the violation persists. The maximum total penalty would have been \$500,000.

The current penalty for safety violations is \$1,000 for each violation up to a maximum of \$200,000.

The measure was passed by the House with extensive amendments. It was in the Senate Rules Committee when the session ended.

*** **PUC Testing Fees** -- The Public Utility Commission may establish reasonable fees for testing instruments and measuring apparatus as a result of legislation (SB 1303) signed into law as Act 22 on April 4, 1990.

The fees public utilities must pay for such tests were previously set by legislation.

* **Fuel Oil Receipts** -- Domestic light fuel oil customers would have been required to receive detailed delivery tickets under legislation unanimously approved by the Senate.

Senate Bill 1377 required that the tickets contain the vendor's name and address, date of delivery, purchaser's name and address, product delivered, driver's signature or employee number, delivery vehicle's company truck number, price per gallon and volume in gallons. The measure was in the House Agriculture and Rural Affairs Committee when the session ended.

*** **Pilotage Rate Increase** -- Increases in the pilotage rates, intra-port rates and other rates for vessels which navigate on the Delaware River were authorized by legislation signed into law as Act 52 on June 13, 1990. The rates have historically been adjusted by legislation every three years.

Under Senate Bill 1472, unit pilotage rates were increased 6 percent effective Jan. 1, 1990, and will be increased 5 percent in January 1991 and 1992.

-- PUBLIC HEALTH AND WELFARE --

*** **"MOM" Spells Big Savings** -- A Democratic-sponsored discharge resolution stirred quick action by Senate Republicans on legislation (HB 700) that requires all doctors in Pennsylvania to accept Medicare-approved rates for their services. The bill became law July 10 (Act 81 of 1990) when signed by the governor.

Senate Republicans, who had sat on the House-passed bill for a year, gave the "Medicare Overcharge Measure," or "MOM" bill, a new name but were unsuccessful in their attempt to weaken it by exempting certain doctors from its provisions.

While most doctors previously accepted the Medicare rate schedule for their services (Medicare pays 80 percent and the senior citizen pays the balance), some did not -- leaving the patient to make up the difference in cost, in addition to a 20 percent co-pay. It's estimated that Pennsylvania senior citizens paid nearly \$200 million in overcharges since 1986.

Under the new Health Care Practitioners Medicare Fee Control Act, seniors will still make the required co-payment -- but that's all they'll pay. Doctors found to be overcharging will be subject to a reprimand and will be required to repay patients who were overcharged. Subsequent offenses will result in stiff fines.

The "MOM" bill was passed overwhelmingly by the House in June of 1989 but the bill had gathered dust in the Republican-controlled Senate Public Health and Welfare Committee until mid-1990. The panel's chairman finally scheduled a meeting to consider the measure after a Democratic senator introduced the discharge resolution that would have forced the bill out of committee. The weakening amendments adopted by Republicans in the committee were ripped from the bill on the Senate floor and final passage came on a 44-6 vote.

*** **AIDS Confidentiality** -- The governor has signed legislation (SB 1163, Act 148/1990) that will protect the confidentiality of people who are tested for AIDS (acquired immune deficiency syndrome) and provide some protection for health care workers and emergency service personnel who may come in contact with persons infected by the virus.

The new law protects the privacy of medical records pertaining to human immunodeficiency virus (HIV) and sets forth conditions under which the information may be shared. It also mandates that persons give informed, written consent before being tested.

The AIDS confidentiality measure calls for counseling before and after testing for HIV. It also includes a description of the test and what certain results mean, information about referral services and instruction on preventing transmission of the virus that causes AIDS.

The legislation limits the people who can be informed of an HIV test result, including the patient, the doctor who ordered the test, or another person who has given written consent from the patient to receive the information.

As a defense against possible infection, the bill also provides a system by which a doctor or other health-care provider could seek a court order requiring a patient to be tested for the virus.

"Blind" testing for the virus -- testing in which patients have not granted permission but in which their identities are not divulged -- for purposes of research will be permitted once the Health Department establishes a board that will set up standards for such testing.

The confidentiality bill is designed to encourage more people to be tested for the virus. Pennsylvania joins 30 other states which have approved similar legislation aimed at controlling the spread of AIDS.

** **Living Wills** -- Legislation (SB 646) that would allow the withdrawal of life-sustaining devices by the terminally ill died November 21 when the legislature was unable to reach agreement on how the bill will address abortion and euthanasia.

The "living wills" bill had passed the Senate (48-0) and House (183-13) but was scuttled in the Senate after last-minute amendments had been added in the House.

One of those amendments would have prohibited health care workers from allowing pregnant women to die a natural death -- no matter how early the pregnancy and even if the woman had a living will in which she expressly said she wanted to be allowed to die even if pregnant. Other amendments would have given physicians and hospitals the right to refuse to "pull the plug" on a comatose patient, regardless of the patient's living will and would have required Pennsylvanians to say specifically in their living wills whether or not they want food and water to be administered to them in such a state.

The measure would have established a procedure whereby an adult could have executed, in advance, a written declaration expressing his or her wishes for the initiation or continuation, withholding or withdrawal of life-sustaining treatment in the event of incompetency and a terminal condition or permanent unconsciousness.

The living will is seen as a means of reducing the pressure that is placed on family members faced with making a choice for or against the use of life-sustaining devices. Forty-six other states have living will statutes.

*** **Bill Saves 'PACE' Millions** -- Senate Bill 1111 (Act 121 of 1990) provided the mechanism to speed up the use of generic drugs in the lottery-funded Prescription Assistance Contract for the Elderly (PACE) program. PACE pays the prescription costs for some 430,000 senior citizens when the cost exceeds \$4. In a bid to save money, the state previously okayed the substitution of generically equivalent drugs unless requested otherwise by the purchaser or indicated otherwise by the prescribing doctor. Senate Bill 1111 adopted the federal Food and Drug Administration's "Orange Book" as the standard for generic product substitution. Previously, the system to approve a generic equivalent took about two years after the FDA's stamp of approval. By accelerating use of generic products, the commonwealth expected to save nearly \$9 million annually.

*** **Daily Living Center Act** -- House Bill 2480 became Act 118 of 1990 following passage by the Senate and House in June. The bill established the Older Adult Daily Living Center Act which sets licensing standards for these senior citizen facilities, provides for regular inspections by state agents, and grants the state authority to revoke licenses, refuse to renew them or to issue licenses on an interim basis. Operating a facility for older people without a license is a summary offense and could lead to fines of up to \$300 for each day of unlicensed operation.

*** **Missing Children** -- Legislation (HB 1665) requiring parents to record their Social Security numbers on their children's birth certificates was signed into law as Act 106 of 1990. The purpose of the law is to help identify and determine the whereabouts of an absent parent for child support purposes. Also part of the law is a provision that notations be placed on the birth records of a child who is reported missing. Schools are also required to record similar information on a missing child's school record. In addition, law enforcement agencies investigating a case involving a lost, abducted, missing or runaway child (18 or under) are required to report the incident to a school district and to the Division of Vital Records of the Department of Health.

** **Poison Control Centers** -- Legislation (SB 917) requiring the state Department of Health to establish a statewide network of poison control centers remained in a holding pattern when the General Assembly ended its two-year session. There are differences between the two chambers with respect to a funding mechanism. Poison control centers would provide information to the public and professionals on poison prevention and treatment.

*** **Drug Chemicals Monitored** -- The sale of chemicals used in manufacturing illegal drugs is being recorded and monitored under provisions of legislation (HB 1285) signed into law in 1990 as Act 11. Any manufacturer, wholesaler or retailer -- other than a pharmacist or pharmacy supplier -- is required to record detailed information about a buyer. The new law lists 32 chemical substances whose purchases must be recorded. Violations of the law carry a prison term of up to five years and a fine of up to \$25,000.

*** **Family Preservation Program** -- Legislation unanimously passed by the House and Senate and signed by the governor as Act 35 of 1989 created the Family Preservation Program, a system of intensive intervention services available to families whose children are at risk of immediate placement in foster care.

The measure called for grants to counties for the establishment of intensive counseling programs aimed at strengthening family bonds and avoiding costly, out-of-home placement of children.

* **Mental Health Standards** -- A sweeping plan to revise the state's mental health system by easing involuntary commitment standards, establishing new standards for treatment, and altering the state/local cost sharing formula passed the Senate as SB 5 but will still in the House Health and Welfare Committee when the session ended.

Despite Democratic warnings that the Republican plan could lead to thousands of new commitments, straining an already overburdened and costly system, and reverse decades of gains made in treating the mentally ill, the measure passed on a 27-23 party-line vote.

The plan would broaden standards to institutionalize individuals against their will by permitting officials to consider a person's "behavior" over the past seven years in making such decisions.

* **Mentally Ill Children** -- The House failed to act on legislation (SB 315) that would have created residential treatment facilities for mentally ill children. The measure received unanimous Senate approval. The facilities would be aimed at treating children whose illnesses are not severe enough to require care at a psychiatric hospital or a state-operated mental hospital.

** **Pharmacy Dispensing Fees** -- Prescription dispensing fees paid to pharmacists under Medical Assistance and the senior citizen prescription drug assistance program, or PACE, would be increased from \$2.75 to \$3.50 per prescription under SB 555 which passed the Senate on a 42-8 vote. The House Appropriations Committee held the bill when the General Assembly ended its two-year session.

Under the measure, the fee would have been adjusted on July 1, 1990 and every July 1 thereafter to reflect changes in the Federal Consumer Price Index (CPI).

If enacted, the 75-cent increase would cost the state approximately \$9 million annually.

* **Drug and Alcohol Treatment** -- County drug and alcohol agencies would have received per capita grants to meet their particular local needs under a bill that unanimously passed the Senate but was stalled in a House committee. SB 613 included a Democratic amendment adding funds specifically targeted at providing residential treatment to drug or alcohol dependent pregnant women and mothers with children.

* **Lyme Disease** -- The growing incidence of Lyme disease in eastern Pennsylvania prompted unanimous Senate approval of a bill (SB 451) to increase public awareness and monitor outbreaks of the disease. Senate Bill 451 failed to receive House action.

* **Maple Syrup Urine Disease Testing** -- A test for maple syrup urine disease would have been administered to all newborn infants under Senate Bill 1056, which passed the Senate 50-0 but was stalled in a House committee when the session ended. Gone undetected, the disease (which retards the breakdown of certain amino acids found in food proteins, including milk) can cause death, retardation, or other complications.

*** **Pet Therapy** -- Legislation (SB 357) allowing pets to be boarded in nursing home facilities and to be used in therapy programs for residents received the unanimous approval of both houses and was signed into law as Act 60 of 1989.

*** **Licensing Bars and Restaurants** -- Townships of the second class are permitted to license and inspect bars and restaurants in counties where no county health agency exists to perform the function under HB 1615, enacted into law as Act 111 of 1989. The measure also transfers responsibility for licensing from the Department of Health to the Department of Environmental Resources.

* **Health Care Policy Board** -- Membership on the state's Health Care Policy Board would have been increased from 13 to 14 members under Senate Bill 661 which unanimously passed the Senate. The additional member would be appointed by the governor and represent the home health care industry. No action was taken in the House.

* **Emergency Medical Services Funding** -- The House failed to take action on Senate Bill 873 which would have allowed money collected by the state's Emergency Medical Services Operating Fund to be channeled directly to local emergency medical services providers. Under the measure, which was unanimously passed by the Senate, the money could not be used for administrative purposes. The fund derives revenues from \$10 fees attached to all traffic violations and the \$25 added on all ARD judgments.

* **Prevention Program** -- The House failed to act on Senate-passed legislation (SB 189) which would have established a statewide program for the prevention, detection and treatment of Hepatitis B among emergency response team personnel.

* **Prescription Curbs** -- No action was taken by the House on Senate-passed legislation (SB 952) which would have prohibited doctors from prescribing amphetamines for the treatment of obesity or fatigue. The measure does not restrict the use of the drugs for other recognized medical purposes.

* **Day Care Homes** -- More than 4,500 family day care homes in the state would be further regulated and licensed under legislation (SB 1229) which cleared the Senate but had not been acted on in the House. At present, such facilities are required only to be registered with the state. Any day care home that cares for four to six children would have been required to obtain a state license and would have fallen under the same requirements as day care centers.

* **Savings for Counties** -- Legislation (SB 1389) passing the Senate in 1990 -- but stalling in a House committee - - would have relieved counties from paying the state for prisoners sentenced to mental institutions. At present, counties must pay the state for the first \$120 per day of treatment. The House Health and Welfare Committee holds the bill.

* **Bill Would Limit Fund Balance** -- Senate Bill 1536, which failed to receive House action, calls for taking 80 percent of the money in the Emergency Medical Services Fund and spending it for emergency medical services needs. The fund receives its revenue from a \$10 fine added to motor vehicle violations and a \$25 drunk driving surcharge. This bill would have required the fund to maintain a balance of no less than \$5 million.

* **Safety in MH/MR Facilities** -- Legislation (SB 1661) that was held by the House Health and Welfare Committee when the session ended would have amended the Mental Health and Mental Retardation Act by requiring "reasonably safe" conditions to be provided in mental health or mental retardation facilities. The Department of Public Welfare would be responsible for assuring that residents of such facilities (state hospitals, group homes, etc.) live under "reasonably safe conditions."

*** **Raising Maximum Per Capita State Grant** -- Passed by both houses was legislation (HB 267, Act 179/1990) which would raise the maximum per capita state grant to local health departments to \$5.25 in fiscal year 1990-91 and to \$6.00 in fiscal year 1991-92.

The 1990-91 budget included funds for the increase. In 1991-92, a total of \$23.7 million would be needed for this program, an increase of approximately \$2.1 million.

-- COMMUNITY & ECONOMIC DEVELOPMENT --

*** **Pittsburgh Port Commission Created** -- In an effort to promote economic development along the Monongahela, Allegheny and Ohio rivers in southwestern Pennsylvania, the legislature has approved legislation (Act 197/1990) to create a Port of Pittsburgh Commission.

Under SB 1711, the commission's responsibilities will include the promotion and oversight of the port's development along the three rivers. The commission's job will be to encourage public and private investment along the rivers, promote the development of recreation, advocate using the waterways as highways of commerce, foster the development of industrial plants and parks and promote the port as a foreign trade zone.

A 10-county area will be affected including Allegheny, Armstrong, Beaver, Butler, Clarion, Fayette, Greene, Lawrence, Washington and Westmoreland.

The commission will be made up of 19 voting members --appointed by the governor and legislative leaders in each caucus -- and the secretaries of commerce and transportation.

The measure also provides for the establishment of the Pittsburgh Regional Intermodal Freight Corporation whose job will be, among other things, to formulate plans for future development and improvement of freight, transportation and warehousing facilities along the three rivers port district.

*** **Export Assistance Loans** -- Firms with less than 500 employees are eligible for consideration for export assistance loans of up to \$200,000 and loan guarantees of up to \$500,000 under legislation (SB 1261, Act 196/1990) approved by the General Assembly.

*** **Economic Revitalization of Blighted Property** -- Legislation (HB 2179, Act 113/1990) was signed into law that allows local governments to revitalize non-tax-producing blighted areas in their communities by selling bonds, or obtaining other financing, that would be paid off by the tax revenue generated after an area's economic redevelopment (see Budget & Finance: "Tax Increment" Economic Revitalization Tool).

*** **MILRITE Council Reestablished** -- Governor Casey has signed legislation (Act 55/1990) that extends the life of the Pennsylvania MILRITE Council to December 31, 1994. If Senate Bill 1516 had not been enacted, the council --established 10 years ago -- would have expired last June.

MILRITE is an acronym for Making Industry and Labor Right in Today's Economy. It has an operating budget of \$250,000 and an \$825,000 budget for disbursement to 14 labor-management groups throughout the state.

The MILRITE council's primary goal is to help improve relations between labor and management groups, assist with contract negotiations, and to help attract new industry into the state.

*** **Steel Valleys Revitalization** -- Two measures (HBs 1700; 1701) were signed by Governor Casey (Act 51/1989; Act 52/1989) creating the Steel Valleys Economic Revitalization program, a two-pronged initiative to attack nagging unemployment in Pennsylvania's heavy industry areas such as the Mon, Beaver, Shenango and Alle-Kiski valleys.

The legislation established a site development program and an action program aimed at assisting municipalities in transforming blighted and dormant industrial sites into productive facilities.

The 1989-90 state budget contained \$10 million to get the initiative started. The components of the steel valley program are:

--an expanded site development program that can provide multi-year grants to municipalities, counties, local industrial development agencies or redevelopment authorities for making old industrial sites suitable for new development; and

--a revolving loan program with paybacks to local communities to assist in the modernization and reuse of old industrial buildings.

*** **Apparel Loan Program Extended** -- Legislation was enacted (Act 44/1989) which extends the Capital Loan Fund Act for class three and apparel loans until June 30, 1991.

Under Senate Bill 519, loans can be made to apparel manufacturers to upgrade equipment or for technical assistance, ostensibly to keep them competitive with foreign manufacturers. Loans are capped at \$200,000 or 50 percent of the project cost, whichever is less.

*** **Employee Ownership of Businesses Encouraged** -- Legislation was enacted (HB 1293, Act 47/1989) extending the life of the Employee-Ownership program until June 30, 1992.

The program, administered by the state Department of Commerce, is designed to encourage employee-ownership and employee participation in Pennsylvania businesses; make grants and loans available to existing or new firms for feasibility studies.

*** **Bid Program Extended** -- The governor signed legislation (Act 48/1989) which extends the state's Business Infrastructure Development (BID) program until June 30, 1992.

The BID program provides loans and grants for infrastructure improvements such as drainage systems, sewer systems, water supply systems, waste disposal facilities, energy generation and distribution systems as well as roads, bridges, sidewalks, and parking facilities.

In addition to extending the life of the state Department of Commerce program, Senate Bill 1323 mandates that if a private company or developer fails to own, operate, or manage the facility for five years, fails to create the required number of jobs or fails to meet the required financial match, the state may require full repayment of the grant or loan.

*** **TPA Reimbursements Expanded** -- Under legislation approved by the General Assembly and enacted (Act 14/1989) by the governor, local tourist promotion agencies are permitted to become part of a regional tourist promotion agency (TPA) by requiring only the consent of the board of commissioners of the counties involved. Prior to the approval of Senate Bill 506, permission had to be granted by the governing bodies of cities, boroughs, or townships which make up more than 50 percent of the county's total population.

This measure also expands the list of "eligible costs" for state reimbursement to include promotional and marketing expenses. That includes up to 50 percent of salaries and benefits of persons who staff TPA information centers as well as the center's toll-free line and regular telephone charges.

*** **Funding for Food Processors** -- Legislation (House Bill 110) was enacted (Act 46/1989) creating a revolving loan fund to provide economic development funding to food processors and other manufacturers who use agricultural products as their raw materials (see Agriculture and Rural Affairs: Economic Development Funding for Agriculture).

*** **Pittsburgh Business Districts Aided** -- In an effort to assist the eight different business districts that exist in Pittsburgh, legislation (HB 268) was enacted (Act 78/1989) that allows the city to provide administrative services, that is, those services which improve the ability of the businesses in the district to serve consumers.

Under the law, the city may assess designated business districts benefiting from the improvements. The services can include free or reduced parking for customers, transportation reimbursements, public relations programs, group advertising, and business district maintenance and security services.

* **Export Incentive Package** -- A legislative package, approved by the Senate in 1989 to help Pennsylvania businesses develop foreign export markets, died in the House Business & Commerce Committee:

-- Senate Bill 515 would have created the Export Incentive Fund to help small businesses develop foreign markets;

-- Senate Bill 516 would have created the International Trade Fair Assistance program which would have provided state matching grants to small businesses to help defray the cost of attending international trade fairs;

-- Senate Bill 517 established the Pennsylvania International Trade Council which would have provided the governor and the General Assembly with advice on international trade matters and help businesses develop foreign export markets; -- Senate Bill 518 would have established the Shared Foreign Sales Corporation Act which would have enabled small companies to qualify for a 15 percent federal tax exemption and for an exemption from the state corporate tax on export profits if the firm joins a shared foreign sales corporation; and

-- Senate Bill 520 would have established the Pennsylvania Export Development Matching Grant Act to encourage regional export development programs by providing state matching grants to local economic development agencies.

* **Hardwood Loan Fund Proposed** -- Legislation which would have created a Hardwood Loan Fund to provide financial assistance to hardwood manufacturers was approved by the Senate but died in the House Finance Committee.

Senate Bill 1564 would have permitted the Hardwood Loan Fund Board to make low-interest loans of up to \$200,000 or 50 percent of the project cost, whichever is less. The purpose of the loans would have been to help hardwood businesses pay for technical assistance or to upgrade their equipment.

-- LOCAL GOVERNMENT --

*** **Impact Fees on Builders Approved** -- The General Assembly passed legislation (HB 1361, Act 209/1990; HB 444, Act 203/1990) that gives Pennsylvania's local governments authority to charge impact fees to builders and developers.

Under the legislation, municipalities may assess a fee to cover the costs of new roads, water lines and sewer systems that are made necessary by development.

The legislation was drafted to settle disputes between developers and local officials over the extent and the amount of such costs.

House Bill 1361, which passed the Senate on a vote of 38 to 10 and the House on a vote of 190 to 4, stipulates that fees for transportation improvements be limited to within seven square miles of a development. Fees for water systems and sewers would also be restricted under House Bill 444.

The legislation represented two years of negotiations between builders who claim they were being charged excessive impact fees and local officials who say they're trying to protect existing taxpayers from being saddled with costs that should be placed on developers.

Both the Senate and the House defeated amendments that would have given local governments specific additional authority to negotiate other impact fees with developers, outside of the system created by the law.

*** **Local Government Capital Project Loans** -- Legislation (HB 1587, Act 210/1990) was passed to establish the Local Government Capital Loan Fund program through June 30, 1994.

House Bill 1587 authorizes low-interest loans to local governments with populations of less than 12,000 for the purchase of police cars, trucks, highway construction equipment and computers, or to construct, renovate or rehabilitate facilities.

Loans for equipment purchases are limited to \$25,000 or 50 percent of the cost, whichever is less. A limit of \$100,000 or 50 percent of the total cost, whichever is less, has been set for construction, renovation or rehabilitation of any single facility.

Loans will be repaid at an interest rate of 2 percent over a period not to exceed 10 years. The minimum amount of any loan is \$1,000.

A ranking system will determine which projects are funded. It will include such factors as whether the municipality previously received a loan, its financial condition, and the impact of the equipment purchase or renovation on the health, safety and welfare of the residents.

*** **Tax Claim Deferral for Senior Citizens** -- The forced sale of property for the payment of tax claims filed against the homes of low-income senior citizens could be deferred indefinitely by county commissioners under legislation (HB 250, Act 220/1990) unanimously approved by the General Assembly in the closing hours of the 1989-90 two-year session.

Such a deferral would be left to the discretion of a county's board of commissioners and would only apply to the homes of persons 65 years of age or older with total household incomes of less than \$15,000 annually. The deferral could extend until title of the property is eventually transferred or until someone new occupies the property.

Instead of a deferral of tax claims until the home is transferred, county commissioners could also opt to extend the deadline for discharge of a tax claim on the home of an eligible senior citizen for three additional months if payment can be expected within that time frame.

*** **BYOB Clubs Regulated** --Legislation was approved by the legislature to regulate so-called bring-your-own-bottle (BYOB) clubs.

A Democrat amendment to House Bill 2617, which became Act 219/1990, made it a summary offense to sell, store or consume alcoholic beverages on unlicensed premises between 2 a.m. and 8 a.m.

Supporters of the measure argued it's needed because some BYOB clubs are generally a nuisance and in some cases have become the setting for drug dealing and violence.

Prior to the amendment, the bill made it a third degree misdemeanor for any commonwealth or municipal employee to disclose confidential tax information unless disclosure is required by law or the courts.

*** **Ambulance Tax Approved** --A three-bill package of legislation (HB 2353, Act 155/1990; HB 1738, Act 184/1990; HB 2130, Act 186/1990) has been signed by the governor that allows boroughs and first and second class townships to impose up to two mills of taxes to support ambulance and rescue squads if approved by a voter referendum. Prior to the laws being enacted, the tax ceiling was one-half mill.

House Bill 1738 also provides that when a vacancy occurs in the mayor's office, the council president will assume his or her duties. In addition, when the office of council president is vacant, the vice-president will perform the president's duties.

Under this measure, the acting mayor has veto power but cannot vote as a member of council.

House Bills 2130 and 2353 mandate that first and second class township commissioners, respectively, must reside in the township for at least one year prior to their election, and must maintain residency in the township for the duration of his or her term in office.

House Bill 2353 also allows the supervisors in a second class township to appoint a township board of health and a health officer. The board will have the authority to enforce township health ordinances and state laws.

*** **Supporting Local Libraries** --Legislation has been enacted (HB 502, Act 130/1990) which would allow boroughs to allocate additional tax revenue for the operation of local libraries. The cap had been three mills. The bill also removes the requirement that voters approve, by referendum, any increase above the three mill limit for the purpose of establishing and maintaining local libraries.

*** **POW/MIA Flag & Bid Requirements** -- A package of legislation was signed into law by Governor Casey that permits local governments to fly the POW/MIA flag on public grounds. It also allows municipal governments to purchase up to \$10,000 worth of goods, supplies and services without having to advertise for bids. Previously, bids were required for purchases of more than \$4,000.

Municipal governments and authorities, however, must solicit written or telephone price quotations from at least three qualified and responsible contractors or suppliers for all contracts that exceed \$4,000 but are less than \$10,000.

The legislation also prohibits local governments from purchasing goods, supplies or services on a piecemeal basis to avoid the \$10,000 threshold on public bidding.

Under this legislation, any member of a governing body who votes on piecemeal contracts knowing that they ought to be part of a larger transaction faces a third degree misdemeanor charge.

The penalty is a maximum of one year in jail and/or a \$2,500 fine.

Senate Bill 741 (Act 88/1990) affects public auditorium authorities in Allegheny County and the cities of Pittsburgh and Scranton; Senate Bill 742 (Act 89/1990), third through eighth class counties; Senate Bill 743 (Act 90/1990), all boroughs in the state; Senate Bill 744 (Act 91/1990), the state's 1,459 second class townships; Senate Bill 745 (Act 92/1990), the 91 first class townships in the commonwealth; Senate Bill 746 (Act 93/1990), Bloomsburg, the only incorporated town in Pennsylvania; Senate Bill 749 (Act 94/1990), parking authorities in Pittsburgh, Scranton, all boroughs, the state's 50 third class cities and 91 first class townships; Senate Bill 750 (Act 132/1990), municipal authorities; Senate Bill 751 (Act 95/1990), joint purchases by counties, school districts and any other local government body excluding Philadelphia and Scranton; Senate Bill 752 (Act 96/1990), affects local governments or their agencies working under the Intergovernmental Cooperation Law which permits local governments to jointly purchase goods, supplies, and services; and Senate Bill 753 (Act 97/1990), affects all cities, boroughs and townships which work either individually or jointly on flood control construction or improvement projects.

***** Courts Could Permit Higher County Tax Limit** -- Legislation has been enacted (Act 163/1990) that will, with court approval, allow counties already at the 25 mill cap on real estate taxes to exceed that limitation.

Under Senate Bill 232, third through eighth class counties will have the ability to petition the court of common pleas for permission to add up to five mills above the maximum.

Many cities, boroughs and townships already have the authority, if approved by the county's court of common pleas, to exceed their maximum tax millage by five mills.

The legislation also mandates that deputies who fill in for county officers be paid the same rate as the officers they replace.

Senate Bill 232 will apply to officers who are authorized or required to appoint deputies in 3rd through 8th class counties (all counties except Philadelphia, Allegheny, Montgomery and Delaware).

*** GOP Local Tax Plan** --The Republican-controlled Senate passed a series of bills GOP leaders said represented an alternative to the bipartisan local tax reform initiative rejected by Pennsylvania's voters on May 16, 1989.

All 10 bills, however, died in the House as the session ended.

Described by Senate Democrats as a "scattershot" effort that would, at best, only exacerbate the inequities of the existing local tax structure, key elements of the new plan ran into a wall of opposition.

Over the objections of Democrats, Senate Republicans passed (26-22) a seriously flawed proposed constitutional amendment (SB 1447) that would permit property tax reductions, financed by Pennsylvania's working men and women, to wealthy non-workers and business and commercial entities. An amendment to provide for a real "homestead" property tax reduction for average families was defeated by Republicans (22-26).

Also passed in the Senate (27-23) over Democrat objections were two bills (SBs 1448, 1449) to spend \$36 million in unbudgeted state dollars to promote property tax reassessments in counties throughout the commonwealth. Without other crucial elements of reform, Democrats noted, mass property reassessments would only lead to whopping increases in real estate taxes for long-time homeowners -- especially senior citizens.

An apparent failure to garner sufficient support from their own members, meanwhile, resulted in the Senate's tabling of the remaining controversial element of the Senate GOP leadership's local tax plan package. An 11th bill --SB 1445-- would have provided for a doubling of the local wage tax paid by the state's working men and women.

Other more innocuous or non-controversial parts of the package that included bills drafted by the state's Local Government Commission passed the Senate with bipartisan and unanimous support but died in the House. Senate Bills 1451 and 1452 would have required county assessors to certify the status of tax-exempt real estate once every five years. The legislation sought to make certain that once a property is removed from the tax rolls because of a public service function that the tax-exempt status is periodically reviewed and justified. Senate Bills

1453 and 1454 would have required counties to establish separate boards to hear real estate assessment appeals. Senate Bill 1455 required third class cities that assess their own properties to use the latest common level ratio as calculated by the State Tax Equalization Board (STEB) while Senate Bill 1456 required STEB to make such calculations. Senate Bill 1450 removed third class counties from the law governing taxation of second class A counties.

*** **Second Class County Code Changes** -- Legislation has been enacted (Act 125/1990) which makes numerous changes to the Second Class County Code affecting only the counties of Allegheny, Montgomery and Delaware.

Among other things, Senate Bill 1291 eliminates the need to advertise for public bids on the purchase of milk, permits the substitution of a memorial certificate for a veteran's grave marker at the request of the deceased veteran's family and enables the county Residential Finance Authority to refinance previous bond issues with residential loan notes.

*** **Allegheny County Hotel Tax Hike** -- Tourists and business people staying in Allegheny County motels, hotels and inns will face slightly higher lodging bills following passage of House Bill 1220 (Act 182/1990).

Under the measure, the Allegheny County Commissioners would be permitted to raise the excise tax on hotel rooms from three to five percent. The measure stipulates that the distribute the tax money to tourist promotion agencies and to the city of Pittsburgh to help promote the convention center.

The legislation also allows Delaware and Montgomery counties to dedicate the revenue from their three percent excise tax for travel and tourism; exempts from the public bidding process any public contract to construct a hydroelectric cogeneration facility, low-head hydroelectric generation facility, or small power production facility; and authorizes second class county controllers to conduct audits of funds receiving excise tax money.

*** **Pittsburgh Police Trial Board** -- Legislation was signed into law (Act 17/1990) to overhaul the Pittsburgh police trial board system.

Under House Bill 1179, police officers accused of wrongdoing will face a trial board consisting of three persons -- one appointed by the city administration, another by the Fraternal Order of Police, and a third would be a neutral party picked by the other trial board members.

Under the old system, Pittsburgh police officers charged with crimes or infractions went before fellow officers for disciplinary action.

*** **Auditing Township Finances** -- Signed by the governor was a measure (HB 1771, Act 153/1990) to allow supervisors in second class townships to retain a court-appointed accountant or an accounting firm to audit the township books.

Under House Bill 1771, an accountant or an accounting firm may be appointed by the court to audit the township finances if a petition --signed by at least 25 township residents-- has been presented to the supervisors at least 30 days prior to the end of the fiscal year requesting an audit of all township accounts.

*** **Contract Bid Security** -- The governor has signed legislation (SB 497, Act 144/1990) that will permit third through eighth class counties to accept a cashier's check to secure bids made on public contracts. Prior to the new law, businesses had to either submit cash, a certified check, or an insured bond as bid security. The legislation will affect all counties except Philadelphia, Allegheny, Delaware and Montgomery.

*** **Bid Security Expanded** -- The General Assembly passed legislation (SB 733, Act 171/1990) that provides "contracting bodies" such as municipalities and municipal authorities with greater flexibility in accepting financial security on public works project bids.

Under this measure, no contract could be awarded for a project which costs more than \$5,000 until some financial security is provided to guarantee the work and timely completion of the project.

*** **Printing Responsibilities** -- Passed was a bill (SB 1048, Act 172/1990) that transfers the responsibility for printing and maintaining supplies of local government codes from the state Department of General Services to the state's Local Government Commission.

The House inserted language into the bill mandating that the Local Government Commission adopt a policy statement regarding the distribution of municipal codes to elected and appointed municipal officials.

*** **Property Tax Penalty OK'd** -- Legislation (SB 119) has been enacted (Act 37/1990) that would allow the board of assessment appeals in a second class A county (Montgomery and Delaware) to add a five percent penalty to the personal property tax assessment of late filers.

*** **Tax Money Distribution** -- Legislation was enacted (SB 725, Act 61/1990) requiring county real estate tax bureaus to distribute all tax monies that are owed to school districts and municipalities at least once every three months.

The law also requires tax sale proceeds to be distributed to the appropriate taxing jurisdictions at least once every three months after deductions are made to cover administrative costs.

If a court ruling is involved, the legislation mandates that tax sale distribution schedules be mailed first class to all taxing bodies, the owner of the property and the purchaser.

*** **Homeowners Protected from Tax Sales** -- Governor Casey signed into law legislation (Act 63/1989) that will extend until January 1, 1991, the counties' authorization by the state to establish a "grace period" for delinquent taxpayers.

Under House Bill 1883, counties may extend, by up to 12 months, the amount of time for payment of a municipal tax claim against a property owner.

The program applies to homeowners who are delinquent because of "extenuating circumstances" such as unemployment or serious injury.

The extension was originally authorized to prevent the tax sale of homes because of adverse economic conditions.

*** **Local Government Insurance Coverage OK'd** -- Gov. Casey has signed into law two related bills which are designed to help provide sufficient liability insurance coverage to local governments at affordable prices.

Senate Bill 857 (Act 40/1990) will make funding of a self-insurance reserve pool (in whole or in part) an eligible project for tax exempt public debt financing. The size of the pool would be set by an actuary. The legislation prohibits a self-insurance pool financed under the Local Government Unit Debt Act to also participate in an insurance insolvency guaranty fund.

Senate Bill 858 (Act 54/1990) gives municipal authorities, either individually or as a group, the power to finance insurance reserves and the power to float bonds in order to generate the funds for such financing.

*** **Borough Officials Limited to One Job** -- Legislation has been enacted (Act 18/1990) prohibiting an elected official in a borough with a population of 3,000 or more from serving as an employee of that borough. An elected borough official, however, could be employed by another municipality.

Under Senate Bill 728, elected officials who currently are borough employees would be permitted to complete their terms in office, but then they would have to pick one job or the other.

*** **Bloomsburg Commission** -- Legislation has been enacted (Act 32/1990) that would change the number of residents who serve on the Bloomsburg Shade Tree Commission as well as their terms in office.

Senate Bill 1273 increases the number of members from three to five, defines a quorum of the commission as three members, and requires that two members be appointed for four-year terms, two members be appointed for five-year terms, and one member to a three-year term.

*** **Street Improvements** -- Legislation has been enacted (Act 10/1990) that would permit first class townships to appropriate money for improvements to streets located wholly or partially in a township, which have adversely affected the availability of parking. Under House Bill 1401, the definition of "street" includes road, lane, alley, court or public square.

*** **Bid Solicitation Rules Approved** -- The governor has signed into law a bill (Act 10/1990) that would reduce from three to two the number of days that borough solicitations for bids must be advertised.

House Bill 714 stipulates that the first advertisement

shall appear not more than 45 days before the opening of bids.

The second advertisement could not appear later than 10 days before the opening of bids.

The measure is similar to legislation enacted last session for third class cities.

*** **Register of Wills' Fees** -- Legislation has been enacted (Act 82/1990) that give registers of wills in second through eighth class counties a period of 60 days to establish, increase or modify charges and fees. Under House Bill 368, the new fees and charges must be approved by the president judge of the court of common pleas. After the two month period expires, fees and charges could not be changed unless authorized by the state legislature.

*** **County Reassessment Guidelines** -- Legislation has been enacted (Act 82/1989) which amends the Fourth to Eighth Class County Assessment Law to prohibit the use of a State Tax Equalization Board (STEB) common level ratio in the same year in which a countywide assessment was completed.

House Bill 1774 states that if a county performs a property reassessment revision then it shall use the established pre-determined ratio instead of the common level ratio for that year.

*** **Rising Advertising Costs** -- A Senate-sponsored bill (SB 122) that doubles the amount of money the Allegheny County controller may spend to advertise the statement of the county's financial condition has been signed into law by the governor (Act 75/1989).

Under the measure, the amount is increased from \$2,000 to \$4,000 a year. Supporters argued the increase was needed because of rising advertising costs.

*** **Auctioning of Land Approved** -- A package of three bills that allows certain municipalities the option of selling land at a public auction has been signed into law.

House Bill 837 (Act 72/1989) affects first class townships; House Bill 838 (Act 73/1989), boroughs; and, House Bill 839 (Act 74/1989), second class townships.

The bills give local officials the authority to reject all bids if the bids are less than the fair market value of the property. The township commissioners, borough council, or township supervisors may establish a minimum bid based on the fair market value of the property.

*** **Microfilming Mortgages OK'd** -- Legislation has been signed by the governor (Act 61/1989) that allows county recorders of deeds to microfilm postponements of mortgages without marginal notations.

Most recorders of deeds microfilm mortgages to save storage space. This process, however, makes marginal notations --literally notes written in the margins of the mortgage document-- impossible. Senate Bill 726 allows postponements to be made by stipulation, agreement, or some other document and recorded without a marginal notation.

*** **County Pension Law Revised** --The governor has signed into law a measure (HB 16, Act 36/1990) which would permit administrative expenses to be paid from the earnings of the pension fund unless the actuary determines such payments would impair the fund's financial stability.

In addition, the new law allows the pension board to authorize members to elect to reduce their contributions to a lower pension class than that which was originally designated.

*** **Military Service Credit for Cops** -- Clearing the General Assembly was legislation (HB 895, Act 205/1990), amending the Municipal Police Pension Law, to permit full service credit for each year of military service --up to five years-- to any member of the police force who was not employed by the municipality prior to the military service.

Under House Bill 895, any member of the police force shall be eligible to receive credit for military service provided that they are not receiving now, or in the future, retirement benefits for service under a retirement system which is wholly or partially paid for by any other governmental agency. An exception would be if a member is eligible to receive military retirement pay earned through a combination of active and non-active duty payable upon the attainment of a specific age and period of service.

*** **Police Pensions** -- Signed by the governor was a measure (HB 253, Act 178/1990) which permits members of a police pension fund in the state's 51 third class cities to vest after 12 years of continuous service under certain conditions.

House Bill 253 provides that members can vest under the following conditions: the filing of a written notice with the pension fund board of the intention to vest; a date of intended termination as a full time police officer and a termination date 30 days later than the date of vesting; the member's good standing with the police department on the date of the notice to vest; and, an indication by the board on the notice to vest of the highest annual average salary which was received during any five years of service preceding the date.

Benefits shall be computed by applying to the base amount, as determined by the salary indicated in the notice, the percentage of years of service actually rendered to the years of service which would have been completed had the individual continued as an employee until the minimum retirement date.

*** **Prothonotary Fees** --Legislation (HB 2139, Act 213/1990) was passed to permit prothonotary's in second class counties (Allegheny, Montgomery and Delaware) to increase fees for filing documents certain documents.

Under House Bill 2139, the cost for filing Commencement of Actions would increase \$10 to \$45; fictitious name registration would go up \$1.50 to \$41.50; and, fictitious corporate name registration would increase \$1.50 to \$51.50.

*** **Controller's Second Deputy** --Legislation has been enacted (HB 1199, Act 140/1990) which will permit controllers in third through eighth class counties to appoint a second deputy controller. The deputy will possess all the powers and duties of the principal deputy controller during his or her absence.

-- GAMES AND FISHERIES --

*** **Reduced Fee Landowners License** -- Farmers who open their land to public hunting would be entitled to a reduced-fee hunting license under legislation (SB 647, Act 170/1990) approved by the General Assembly.

To qualify for a hunting license discount, a resident owner's land must comprise more than 80 contiguous acres, exclusive of safety zones in excess of 20 percent of the total acreage, and must be farmed under a conservation plan that does not conflict with the clean streams law and which meets Pennsylvania Code requirements for erosion control.

The measure would also allow the Game Commission to clear private land under its control for the purpose of providing feeding areas, increase to seven days the length of non-resident small game licenses, increase the

issuing agent fee to 75 cents per license, and increase to \$300,000 per year the amount the Commission may spend on deterrent fencing.

*** **Limited Police Powers for Game Code Enforcement Officers** -- The General Assembly passed legislation (HB 876, Act 180/1990) to grant limited police powers to full-time wildlife conservation officers when acting within the scope of their employment.

The measure was to enable such officers to pursue, apprehend, or arrest any individual suspected of a criminal violation. Officers (deputy officers are excluded) would also be permitted to execute warrants and serve subpoenas. The Game Commission's executive director would determine the scope of the police powers so that they are consistent with the commission's wildlife enforcement responsibilities.

The bill also gave the Fish Commission authorization to require \$5 stamps for salmon and trout fishing and permitted fox hunting on Sundays.

*** **State Fish Code Updated** -- HB 650, an omnibus measure to update the state Fish Code by increasing fees and penalties, establishing new offenses and making a host of other changes, was enacted into law as Act 102/1989.

The new law doubled fines for second degree summary offenses and third degree misdemeanors and raised fines for summary offenses of the third degree from \$10 to \$25. The grading of certain criminal boating offenses and violations of regulations that protect fish and their habitat was increased under the bill.

The measure permitted the collection of issuing fees on stamps and licenses and increased fees on special permits or licenses. Class A and B lakes are classified based on their accessibility to the general public under the bill which also authorized permits for tagged-fish contests on boundary lakes where another state bounding Pennsylvania permits such contests, unless the contests threaten the fishery.

The law authorized qualified waterway patrolmen and hospital personnel to administer chemical tests to detect blood alcohol content or test for drugs if probable cause exists that a person has operated a watercraft under the influence.

*** **Game Commission Land Purchase** -- The Game Commission was authorized by Act 5 of 1990 to spend \$5 million from the Game Fund to purchase nearly 10,000 acres of game land. Financed by fees charged to hunters, land was to be purchased in Erie, Lackawanna, Monroe, Wayne, Lebanon and Schuylkill Counties under the bill (HB 1892).

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