

## Senate of Pennsylvania

### SENATE DEMOCRATIC WRAP-UP FOR THE 2005- 2006 LEGISLATIVE SESSION

#### FOR EDITORIAL BACKGROUND

The two-year 2005-2006 Legislative Session will long be remembered as one of the most bipartisan, innovative and productive in Pennsylvania's history. Under Gov. Ed Rendell's leadership, lawmakers tackled numerous problems and issues that had lingered for many years.

One of the session's hallmark achievements was the passage of a property tax reform measure (See **Special Session House Bill 39**, *Special Session Committee*) that will tap the state's new slots industry to provide significant statewide property tax cuts, make more senior citizens eligible for relief under an expanded Property Tax & Rent Rebate program and give voters in local school districts the flexibility to shift even more of the local tax burden away from homeowners. While numerous lawmakers have said they will work to cut property taxes even more in the coming session, the state's tax relief law is clearly the first successful property tax cut effort in decades.

Determined to protect the integrity of the state's budding slots industry, lawmakers made changes to the gaming law that will forbid public officials from having any financial interest in gaming, impose a strict new code of conduct for gaming officials, eliminate suppliers and give the state Attorneys General more power to investigate and prosecute wrongdoing (See **Senate Bill 862**, *State Government*).

The two-year session also produced bold new efforts to strengthen Pennsylvania's economy (See **House Bill 1802**, *Appropriations*) and protect the environment (See **House Bill 2 and House Bill 3**, *Environmental Resources and Energy*). Lawmakers also made significant investments in education, job training, crime prevention and improving the plight of military personnel and their families (See *Veterans Affairs and Emergency Preparedness*).

Even with the greater investment in the state's economy, environment, schools and libraries, lawmakers managed to hold the line on individual taxes, stem the loss of federal medical assistance support and slash business taxes (See **House Bill 815 and House Bill 2499**, *Appropriations*).

Much of what was accomplished in the two-year session was overshadowed by a controversial pay raise measure in 2005 that would have hiked salaries for members of the Judiciary, General Assembly and Executive Branch (See **House Bill 1521**, *State Government*). The measure was repealed later that year (See **House Bill 1956**, *Rules and Executive Nominations*). However, a 2006 state Supreme Court ruling overturned the section of the law that rescinded the judges' pay raises and reinstated the increases.

Other significant legislative achievements during the 2005-2006 legislative session included making more low-income families eligible for home heating assistance (See **House Bill 1539**, *Finance*), raising the state's minimum wage (See **Senate Bill 1090**, *Labor and Industry*), limiting the government's use of eminent domain

(See **House Bill 2054 and Senate Bill 881**, *State Government*), making 120,000 more senior citizens eligible for the PACE/PACENET prescription drug benefits (See **Senate Bill 1188**, *Aging and Youth*), and providing more children with health insurance coverage (See **House Bill 2699**, *Public Health and Welfare*).

Lawmakers also passed new laws that set new ethical standards for lobbyists (See **House Bill 700**, *State Government*) and toughened criminal laws against sexual offenders who prey on children (**See House Bill 2447**, *Judiciary*).

For the 2006-2007 session, Senate Democrats say they will reintroduce and fight to enact a package of Democratic-sponsored legislative reform proposals that would make the legislative process more open, accessible and accountable.

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**Legislation 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 governor vetoed the measure.**

### **AGING AND YOUTH**

\*\*\* **PACE/PACENET and Medicare Part D Integration** -- The Senate unanimously passed **Senate Bill 1188**, which amends the State Lottery Law to integrate the existing PACE and PACENET programs with the new Medicare Part D prescription drug benefit. It will also hold seniors harmless if they are receiving PACE/PACENET benefits and their Social Security COLA increases their income beyond the eligibility guidelines.

Seniors will no longer have to pay additional premiums on the drugs they currently need and coverage will be extended to an additional 120,000 seniors.

The measure was enacted as **Act 111 of 2006**.

\*\*\***The Ounce of Prevention Program** -- The Senate unanimously passed **House Bill 200**. The bill will establish the "Ounce of Prevention Program," which will provide grants to certain entities that provide home visitation and other services to low-income, at-risk expectant first-time mothers and their newborn children and families.

The bill was enacted as **Act 23 of 2006**.

\*\*\***Health Care Facilities Act Amended** -- The Senate unanimously passed **House Bill 247**. The measure will amend the Health Care Facilities Act to provide for definitions of activities of daily living (ADL), home care agency, home care registry, inspection, and instrumental activities of daily living (IADL). In addition, the definition of “home health care agency” is amended to cover services provided in the consumer’s place of residence or “other independent living environment.”

It will also amend the act regarding licensure training and experience, establish certain consumer protections and provides for inspections.

The measure was signed into law as **Act 69 of 2006**.

\*\*\***At-Risk Elderly Wireless Emergency Telephone Program** -- The Senate unanimously passed **House Bill 1326**, which established the At-Risk Elderly Wireless Emergency Telephone Program, conferring powers and duties on the Department of Aging and providing additional powers to the Area Agencies on Aging.

The program will provide each local Area Agencies on Aging (AAA) the opportunity to enter into a public-private partnership with wireless telecommunications carriers to provide at-risk elderly person with immediate access to 911 emergency services, as well as the prospective protective services unit. The measure was signed into law as **Act 76 of 2006**.

\*\*\* **Resource Family Care Act** – The Senate voted 48-2 in favor of **House Bill 1579**, which gives foster/resource parents more rights and input concerning the children in their care.

Under the Resource Family Care Act, county and private agencies shall be required to:

- Notify resource parents of scheduled meetings concerning the child so they can actively participate and provide input into the case-planning and decision-making process;
- Provide open, complete, and timely responses to inquiries or requests;
- Provide more extensive information on the child’s medical history and background;
- Consult with resource parents on the development of the child’s permanency plan;
- Provide appropriate training to foster parents;
- Provide confidentiality on issues that arise in the resource family’s home;
- Give foster/resource parents the right to be heard concerning agency decisions or practices without fear of retaliation.

The bill was enacted as **Act 73 of 2005**.

\*\*\* **Child Abuse Investigations** – The Senate unanimously passed **Senate Bill 86**, which allows for the opening of a child abuse investigation in the child’s county of residence, even if the alleged abuse took place outside of Pennsylvania.

The measure also requires that the home county be provided a copy of any child abuse report submitted to another state’s child protective services bureau. The information is to be shared within seven days of the completion of the investigation.

The bill was enacted as **Act 43 of 2005**.

\*\*\* **Photo Identification Included in Case Files** -- The Senate unanimously passed **Senate Bill 63**. The measure will require caseworkers at county Children and Youth agencies to include photo identification of each child from a family that maintains a case record.

The new law also requires that the photo be included upon the transfer of the record to another jurisdiction.

This measure also provides for an exception to the oral examination for marriage licenses for service members. The exception is if an applicant is unable to appear in person because of his active military service, then he or she shall be permitted to forward an affidavit to the issuing authority.

The bill was signed into law as **Act 126 of 2006**.

\*\*\* **Children’s Trust Fund Board** --The Senate passed **Senate Bill 922** with a unanimous vote. The measure will amend the powers and duties of the Children’s Trust Fund Board to accept, either directly or indirectly through a nonprofit corporation, federal funds, gifts and donations from individuals, private organizations or foundations.

This law will also amend the powers and duties of the Department of Public Welfare so that the department secretary or his/her designee will serve as executive director to the board and carry out the duties and responsibilities assigned by the board through staff employed by the department.

The measure was signed into law as **Act 177 of 2006**.

## **AGRICULTURE AND RURAL AFFAIRS**

\*\*\* **ACRE Initiative** By a 49-1 vote, the Senate approved **House Bill 1646**, also known as the Agriculture Communities and Rural Environment (ACRE) initiative. The legislation is intended to help Pennsylvania farmers avoid drawn-out legal disputes over “factory farms” and other local ordinances.

As part of the ACRE initiative, farm owners and operators will be permitted to request the Attorney General to review any local ordinance disputes. Local governments will be prohibited from adopting or enforcing any local ordinance that is deemed “unauthorized.”

In addition, the adoption of ACRE will make Pennsylvania the first and only state to enforce farm odor mitigation, requiring that all new or expanded Concentrated Animal Feeding Operations (CAFOs) and Concentrated Animal Operations (CAOs) develop an odor management plan with strict water-quality requirements.

The Governor signed the bill into law as **Act 38 of 2005**.

\*\*\* **Amendment to Agricultural Area Security Law** The Senate voted 47 to 2 in favor of **House Bill 619**, which specifies that horse farms are eligible for Farmland Preservation benefits.

The newly defined “commercial equine activity” includes boarding and training horses, handling, instruction, riding and grazing. The eligibility does not apply to racetracks.

The term “Agricultural security area” is broadened to include land used for agriculture and also the portion used for equine activity. An agricultural conservation easement that restricts the use of land was amended to say that the use of commercial equine activity does not apply.

The Governor signed the bill into law as **Act 61 of 2005**.

\*\*\* **Livestock Regulation** By a 49-1 vote, the Senate approved **House Bill 1580**, which broadens the authority of the Department of Agriculture to make sure animals are healthy and free of any diseases after being hunted.

Under this measure, all deer, moose, reindeer, caribou and hybrids are added to the list of animals the Department of Agriculture can regulate.

The Governor signed the bill into law as **Act 51 of 2005**.

\*\*\* **Farmers Markets** The Senate voted unanimously on legislation that could bring more farmers markets to Pennsylvanians.

**House Bill 2472** creates a grant program designed to encourage the development and expansion of farmers markets. The bill also authorizes the Department of Agriculture to establish standards and procedures to award grants for these programs, with an emphasis placed on underserved areas.

The Governor signed the bill into law as **Act 124 of 2006**.

\* **Rural Pennsylvania Revitalization** The Senate voted unanimously in favor of **Senate Bill 451**, which would have changed the Rural Pennsylvania Revitalization Act, which provides money for research of the state's rural conditions.

The changes would have added the University of Pittsburgh to the list of colleges and universities that are eligible for money. Also, a simple majority would have decided decisions rather than six members, and the maximum amount of money to be given out would have been changed from \$50,000 to \$60,000. Lastly, the bill would have changed the name of the Pennsylvania Farmers' Association to the Pennsylvania Farm Bureau and the Pennsylvania Rural Coalition would have been deleted as an organization.

The bill died in the House.

\*\*\* **Farmland Preservation** The Senate voted unanimously in favor of **Senate Bill 723**.

This bill amends the Agricultural Area Security Law to encourage financial partnerships between state and local governments with local nonprofits to increase the funds available for agricultural conservation easement purchases in the state's Farmland Preservation Program.

A county has the option of permitting participation by eligible nonprofits and describing the requirements for participation in their county program. A county farmland preservation board must recommend the purchase of an easement jointly with an eligible nonprofit entity.

The Governor signed the bill into law as **Act 46 of 2006**.

\* **Domestic Animal Premises Registration** The Senate voted 48-1 in favor of **Senate Bill 865**. This bill would have established a domestic animal premises registration program, which would have required registration of property where domestic animals are kept. The bill died in the House.

\* **Agricultural Land Conservation** The Senate voted unanimously in favor of **Senate Bill 940**, which would have provided more funds for agricultural land conservation.

Under the bill, the Land Trust Reimbursement Program would have given up to \$200,000 to land trusts used for conservation. The program also would have provided the Department of Agriculture proceeds from sales for conservation, and authorized the department to give grants of up to \$750,000 to counties for land conservation.

The bill died in the House.

\*\*\* **Healthy Farms and Healthy Schools** The Senate voted unanimously on legislation that educates young children and their caregivers about healthy eating habits and Pennsylvania agriculture, while providing more market opportunities for local farmers.

**Senate Bill 1209** creates the Healthy Farms and Healthy Schools program within the Department of Agriculture and establishes grants that are used to administer this program. Any school district, charter school or private school with a kindergarten program is eligible to apply.

The Governor signed the bill into law as **Act 184 of 2006**.

## **APPROPRIATIONS**

### **Fiscal 2005-06:**

\* \* \* **2005-06 State Budget** -- As a result of Bush Administration-caused reductions in federal support of Medicaid expenditures and the uncontrollable rise in health care costs, sufficient funds were not available to

significantly bolster many important state programs or support a general tax cut in the 2005-2006 budget (**House Bill 815, Act 1A of 2005**).

However, buoyed by Senate Democratic efforts, the \$24.15 billion state budget managed to lessen the Bush Administration's caused Medicaid cuts, hold the line on taxes, hike funding to school districts by \$129 million and use \$625 million in voter-approved bond funds to make an unprecedented investment in Pennsylvania's environment.

In his 2005 budget address, Gov. Ed Rendell direly predicted that the state faced a \$400 million federal Medicaid funding shortfall that year alone for crucial health services that serve the elderly, disabled and poor. Pennsylvania's improved economy enabled lawmakers to pare the shortfall down to \$200 million.

The final revenue surplus for the General Fund for the 2004-05 fiscal year was \$442 million. That extra tax revenue created a \$377 million General Fund surplus to begin the 2005-06 fiscal year.

In the spending plan, lawmakers managed to restore all of the Medical Assistance dollars used for prescription drug purchases, and also cover much of hospitals' ever-increasing uncompensated care costs (see **House Bill 1168**).

On education (see **House Bill 628**), in FY '05-06 all school districts averaged a 3 percent subsidy hike. Plus, supplemental state funds were earmarked for districts that have low per student expenditures to help close the funding gap between school districts. The 2005-06 budget also included a 2.5 percent increase in special education funding and \$28 million in supplemental funds for tutoring in grades 8 through 12.

Community Colleges received a 10 percent state funding boost. They were also provided with funding that reimburses them for operating costs based on enrollment in credit and non-credit courses. In addition, community colleges will receive economic development stipends for offering courses that are responsive to business and workforce needs.

Embracing Gov. Ed Rendell's call to invest in the state's environment, lawmakers laid out a plan (see **House Bill 3, Act 45**) to preserve farmland and open spaces; clean up streams, brownfields and abandoned mine sites; repair and prevent landslides and sinkholes; revitalize older communities; and maintain the state's 3.8 million acres of park, forest and game lands.

The Growing Greener II program distributes the bond funds approved by the voters in the spring of 2005 for key environmental protection programs. The program also targets \$90 million for counties to use to fund local initiatives.

**\* \* \* Redevelopment Assistance** -- The Senate unanimously approved **House Bill 1802**, which raised the cap on outstanding obligations for redevelopment assistance capital projects by \$500 million, from \$2.150



billion to \$2.650 billion. Raising the total debt limit for redevelopment assistance increases the potential for the state to incur more debt and associated interest expense for redevelopment assistance capital projects. At current interest rates, the issuance of an additional \$500 million in bonds would cost approximately \$752 million over 20 years. The bill was enacted as **Act 87 of 2005**.

**\*\*\* PUC Appropriation** -- The Senate unanimously approved an amended version of **House Bill 816** that appropriated \$52 million from a restricted General Fund account to the Public Utility Commission for the its 2005-06 operational costs. The bill also appropriated \$375,000 in federal funds for the natural pipeline safety and \$1.350 million for motor carrier safety. The bill was enacted as **Act 39A of 2005**.

The following Appropriations bills were all approved unanimously, and enacted:

- **House Bill 823** provided for the \$692 million capital budget for fiscal 2005-06 (**Act 52 of 2005**).
- **House Bill 824** appropriated \$317 million to the Pennsylvania State University (**Act 9A of 2005**).
- **House Bill 825** appropriated \$164 million to the University of Pittsburgh (**Act 10A of 2005**).
- **House Bill 826** appropriated \$168 million to Temple University (**Act 11A of 2005**).
- **House Bill 827** provided \$12.9 million for Lincoln University in Chester County (**Act 12A of 2005**).
- **House Bill 828** appropriated \$6.7 million to Drexel University (**Act 13A of 2005**).
- **House Bill 829** appropriated \$44.7 million to the University of Pennsylvania (**Act 14A of 2005**).
- **House Bill 830** appropriated \$11.7 million to the Philadelphia Health and Education Corporation (**Act 15A of 2005**).
- **House Bill 831** appropriated \$9.5 million to Thomas Jefferson University (**Act 16A of 2005**).
- **House Bill 832** appropriated \$4.8 million to the Philadelphia College of Osteopathic Medicine (**Act 17A of 2005**).
- **House Bill 833** appropriated \$1.8 million to the Lake Erie College of Osteopathic Medicine (**Act 18A of 2005**).
- **House Bill 834** appropriated \$1.4 million to the Pennsylvania College of Optometry (**Act 19A of 2005**).

- **House Bill 835** appropriated \$1.2 million to the Pennsylvania University of the Arts (**Act 20A of 2005**).
- **House Bill 836** appropriated \$1.5 million to the Bureau Training School (**Act 21A of 2005**).
- **House Bill 837** appropriated \$186,000 to the Johnson Technical Institute of Scranton (**Act 22A of 2005**).
- **House Bill 838** appropriated \$68,000 to the Williamson Free School (**Act 23A of 2005**).
- **House Bill 839** appropriated \$388,000 to the Fox Chase Institute for Cancer Research (**Act 24A of 2005**).
- **House Bill 840** was a \$306,000 non-preferred appropriation to the Wistar Institute in Philadelphia for operation and maintenance expenses and AIDS Research (**Act 25A of 2005**).
- **House Bill 841** bill was a \$130,000 non-preferred appropriation to the Central Penn Oncology Group (**Act 26A of 2005**).
- **House Bill 842** was a \$49,000 non-preferred appropriation to the Lancaster Cleft Palate for outpatient-inpatient treatment (**Act 27A of 2005**).
- **House Bill 843** was a \$418,000 non-preferred appropriation to the Burn Foundation, Philadelphia for outpatient and inpatient treatment (**Act 28A of 2005**).
- **House Bill 844** was a \$970,000 non-preferred appropriation to the Children's Institute, Pittsburgh, for the treatment and rehabilitation of certain persons with disabling diseases (**Act 29A of 2005**).
- **House Bill 845** was a \$451,000 non-preferred appropriation to the Children's Hospital of Philadelphia for comprehensive patient care and general maintenance and operation of the hospital (**Act 30A of 2005**).
- **House Bill 846** was a \$105,000 non-preferred appropriation to the Beacon Lodge Camp in Mifflin County that serves special needs children and adults (49-1 vote) (**Act 31A of 2005**).

The following Appropriations bills were approved by a 43 to 7 vote, and enacted by the Governor:

- **House Bill 847** was a \$462,000 non-preferred appropriation to the Carnegie Museums of Pittsburgh for operations and maintenance expenses and the purchase of apparatus, supplies and equipment (**Act 32A of 2005**).

- **House Bill 848** was a \$699,000 non-preferred appropriation to the Franklin Institute Science Museum in Philadelphia for maintenance expenses (**Act 33A of 2005**).
- **House Bill 849** was a \$428,000 non-preferred appropriation to the Academy of Natural Sciences in Philadelphia for maintenance expenses (**Act 34A of 2005**).
- **House Bill 850** was a \$326,000 non-preferred appropriation to the African-American Museum in Philadelphia for operating expenses (**Act 35 A of 2005**).
- **House Bill 851** was a \$42,000 non-preferred appropriation to the Everhart Museum in Scranton for operating expenses (**Act 36A of 2005**).
- **House Bill 852** was a \$178,000 non-preferred appropriation to the Mercer Museum in Doylestown for operating expenses (**Act 37A of 2005**).
- **House Bill 853** was a \$128,000 non-preferred appropriation to the Whitaker Center for Science and the Arts in Harrisburg for operating expenses (**Act 38A of 2005**).

\* **Capital Budget** -- By a 45 to 0 vote, the Senate approved **Senate Bill 607**, which would have specified the maximum principal amount of additional debt that could have been incurred during the 2005-06 fiscal year for Capital Budget projects. The amounts reflect what Gov. Ed Rendell requested in his budget proposal. A Democratic amendment was added to the bill that would have assured the continuity of the Capital Budget funding throughout the budget process. The House never acted on the bill.

\* \* \* **Death Benefits for Emergency Responders** -- The Senate unanimously approved **Senate Bill 1034**, which appropriated \$1.632 million to pay increased law enforcement and emergency response personnel death benefits. Earlier in 2005, the Senate approved Act 59 of 2005, which increased the death benefit from \$63,000 to \$100,000. The bill was enacted as **Act 40A of 2005**.

The Senate unanimously approved a number of annual 2005-06 appropriations bills. All appropriations were at the level called for in Gov. Ed Rendell's budget proposal. They included:

- **Senate Bill 608** appropriated \$24.187 million from the State Employees' Retirement Fund to provide for expenses of the State Employees' Retirement Board. (**Act 2A of 2005**)
- **Senate Bill 609** appropriated \$39.539 million from the Public School Employees' Retirement Fund to provide for expenses of the Public School Employees' Retirement Board. (**Act 3A of 2005**)

- **Senate Bill 610** provided \$24.187 million to the Department of State to operate the various professional licensure boards administered by the department's Bureau of Professional and Occupational Affairs. **(Act 4A of 2005)**
- **Senate Bill 611** transferred funds from the Workmen's Compensation Administration Fund to the Department of Labor and Industry to provide \$57.525 million for administrative expenses for fiscal 2005-06. The bill also appropriated \$184,000 to the Department of Community and Economic Development to fund workers' compensation activities by the Small Business Advocate. **(Act 5A of 2005)**
- **Senate Bill 612** appropriated \$50.369 million from the General Fund and \$1.720 million from federal funds to the Pennsylvania Public Utility Commission. **(Act 6A of 2005)**
- **Senate Bill 613** appropriated \$4.846 million from a restricted revenue account within the General Fund to the Office of Consumer Advocate in the Office of Attorney General. **(Act 7A of 2005)**
- **Senate Bill 614** appropriated \$975,000 from a restricted revenue account within the General Fund to the Office of Small Business Advocate in the Department of Community & Economic Development. **(Act 8A of 2005)**

#### **Fiscal 2006-07:**

The state Senate approved a \$26 billion state 2006-2007 fiscal year General Fund Budget that Democrats described as "strong on tax cuts, school funding and support for health care.

The Senate approved **House Bill 2499** by a 28 to 21 vote. All Democrats supported the budget. Most Republicans opposed the measure.

The 2006-07 budget also held the line on individual taxes, while slashing various business taxes by \$118 million over the next year. The measure also funded the governor's proposed "Cover-All-Kids" health care initiative. The Democrat-sponsored initiative is aimed at providing health insurance coverage (CHIP) to thousands of Pennsylvania's children.

In a pair of omnibus tax code bills (SB 300, **Act 67** and HB 859, **Act 116**), the budget included millions in tax cuts for businesses and individuals.

Among some of the business tax cuts included in spending plan were:

- Expansion of the Research and Development Tax Credit from \$30 million to \$40 million annually. The set aside for small business will increase from \$6 million to \$8 million.
- Expansion of the Education Improvement Tax Credit by \$10 million to \$54 million.
- Acceleration of the Capital Stock and Franchise Tax by 0.1 mill, which allows the rate to drop to 3.89 mills; and
- Net Operating Loss provision expanded from \$2 million to \$3 million.

The 2006-07 budget also spurred a greater investment in schools by adding an unprecedented \$720 million in education funding, including a 5.87 percent basic education subsidy hike. No school district statewide received less than 3.5 percent.

Democrats said the General Fund budget was fiscally prudent and restrained discretionary spending at 1.8 percent of the 5.8 percent expenditure increase.

In a rare legislative maneuver, many Democrats – even though they favored the budget plan -- initially voted against the conference committee report after Republican negotiators reneged on an agreement to strengthen the integrity of the state’s gaming law. As a result, the budget was initially voted down 35 to 14. The vote was reconsidered and the budget was adopted.

The governor signed the budget into law as **Act 2A of 2006**.

**\*\*\* Capital Budget** -- The Senate unanimously passed **House Bill 2317**, which provided for the state’s Capital Budget Project Itemization Act for fiscal 2005-2006. The amended bill provided \$4.953 billion in project authorizations. The measure was enacted as **Act 83 of 2006**.

**V\*\*\* Supplemental Appropriations** -- The Senate unanimously approved **House Bill 2380**, which provided supplemental appropriations including: \$3 million for the Homeowner’s Emergency Mortgage Assistance Program; \$3 million to train and hire an additional 180 State Police troopers; \$500,000 for the Merchant Marine World War II Veterans Bonus Fund; and \$5 million to reimburse counties for full time district attorneys. The bill was enacted as **Act 1A of 2006**. Insisting that the State Police should re-deploy troopers from non-patrol jobs to active patrol work before additional troopers are hired, Gov. Ed Rendell line item vetoed the section of the bill that would have hired the additional Troopers. Also, stating that the money would not be needed in the 2006-07 fiscal year, the Governor vetoed the section appropriating funds to pay full-time district attorneys.

The Senate unanimously passed the following 2006-07 appropriations bills (percentage increase in italics); and the bills were signed into law as **Acts 10A-32A**:

- **House Bill 2504** – \$327.7 million for Penn State University (5.03 percent)
- **House Bill 2505** - \$164.6 million for the University of Pittsburgh (4.71 percent)
- **House Bill 2506** -- \$169.5 million for Temple University (4.5 percent)
- **House Bill 2507** – \$13.5 million for Lincoln University (4.5 percent)
- **House Bill 2508** -- \$6.9 million for Drexel University (3 percent)
- **House Bill 2509** – \$49.1 million for the University of Pennsylvania, and \$254,000 for the university's museum (10.17 percent)
- **House Bill 2510** – \$11.7 million for the Philadelphia Health and Education Corporation, and \$861,000 for its pediatric services and handicapped children's clinic (3 percent)
- **House Bill 2511** -- \$9.8 million for Thomas Jefferson University in Philadelphia, and \$59,000 for Tay Sachs Disease research (2.99 percent)
- **House Bill 2512** -- \$6.5 million for the Philadelphia College of Osteopathy (3.01 percent)
- **House Bill 2513** -- \$1.8 million for the Lake Erie College of Osteopathic Medicine (3 percent)
- **House Bill 2514** -- \$1.6 million for the Pennsylvania College of Optometry in Philadelphia (3 percent)
- **House Bill 2515** -- \$1.2 million for the Pennsylvania University of the Arts in Philadelphia (2.98 percent)
- **House Bill 2516** -- \$1.4 million for Berean Training and Industrial School in Philadelphia (3.03 percent)
- **House Bill 2517** -- \$193,000 for the Johnson Technical Institute of Scranton (3.21 percent)
- **House Bill 2518** -- \$71,000 for the Williamson Free School of Mechanical Trades in Delaware County (2.9 percent)
- **House Bill 2519** – \$776,000 for the Fox Chase Institute for Cancer Research in Philadelphia (0 percent)
- **House Bill 2520** – \$306,000 for the Wistar Institute in Philadelphia (0 percent)
- **House Bill 2521** – \$130,000 for the Central Penn Oncology Group in Hershey (0 percent)
- **House Bill 2522** -- \$59,000 for the Lancaster Cleft Palate Clinic (20.41 percent)
- **House Bill 2523** – \$418,000 to the Burn Foundation of Greater Delaware Valley (0 percent)
- **House Bill 2524** -- \$970,000 to the Children's Institute of Pittsburgh (0 percent)
- **House Bill 2525** -- \$451,000 to the Children's Hospital of Philadelphia (0 percent)
- **House Bill 2526** -- \$105,000 for the Beacon Lodge Camp in Mt. Union (0 percent)

The Senate passed the following appropriations bills (increases in parenthesis) by a vote of 43 to 6. The bills were signed into law as **Acts 33A-39A**:

- **House Bill 2527** – \$508,000 for the Carnegie Museum and Science Center in Pittsburgh (9.96 percent)
- **House Bill 2528** – \$769,000 for the Franklin Institute Science Museum in Philadelphia (10.01 percent)

- **House Bill 2529** – \$471,000 for the Academy of Natural Sciences in Philadelphia (10.05 percent)
- **House Bill 2530** -- \$359,000 for the African American Museum in Philadelphia (10.12 percent)
- **House Bill 2531** -- \$46,000 for the Everhart Museum in Scranton (9.52 percent)
- **House Bill 2532** – \$196,000 for the Mercer Museum in Doylestown (10.11 percent)
- **House Bill 2533** -- \$141,000 for the Whitaker Center for Science and the Arts in Harrisburg (10.16 percent)

\*\*\* **Funding for Attorney General** -- The Senate unanimously approved **Senate Bill 1159**, which appropriated \$4.899 million from the restricted account in the General Fund to the Attorney General's Office of Consumer Advocate for its continued operation 2006-07 fiscal year. The bill was enacted as **Act 3A of 2006**.

\*\*\* **Small Business Advocate** – The Senate unanimously approved **Senate Bill 1160**, which appropriated \$975,000 through the Department of Community and Economic Development for the Small Business Advocate for the 2006-07 fiscal year. The bill was signed into law as **Act 4A of 2006**.

\*\*\* **Labor and Industry Appropriations** -- The Senate unanimously approved **Senate Bill 1161**, which provided \$60.2 million to the Department of Labor and Industry for the annual operation of the Workmen's Compensation Administration Fund; and \$184,000 to the department's Small Business Advocate. The bill was enacted as **Act 5A of 2006**.

\*\*\* **PUC Funding** -- The Senate unanimously approved **Senate Bill 1162**, which provided \$51.6 million for the annual operation of the state Public Utility Commission. The bill was enacted as **Act 6A of 2006**.

\*\*\* **Licensure Boards** – The Senate unanimously approved **Senate Bill 1163**, which made an appropriation from the Professional Licensure Augmentation Account and from the Restricted Account in the General Fund to the Department of State for the operation of professional licensure boards in the 2006-07 fiscal year. The bill was enacted as Act 7A of 2006.

\*\*\* **Teacher Retirement Fund** – The Senate unanimously approved **Senate Bill 1164**, which appropriated \$39.5 million for the general government operations of the school employee's retirement fund. The bill was enacted as **Act 8A of 2006**.

\*\*\* **State Employee Retirement Fund** – The Senate unanimously approved **Senate Bill 1165**, which appropriated \$24.9 million for the general government operations of the State Employee's Retirement Fund. The bill was signed into law as **Act 9A of 2006**.

**\*\*\* Capital Budget Act** – The Senate unanimously approved **Senate Bill 1166**, itemizing more than \$1 billion for public improvement, transportation assistance and redevelopment assistance capital projects under the state’s capital budget. Individual projects would have to be approved by various state agencies. The budget represented an increase of more than \$300 million over fiscal 2005-06. The bill was signed into law as **Act 152 of 2006**.

**\*\*\* Conservation Fund** – The Senate unanimously approved **Senate Bill 1224**, which amended the Conservation District Law to create a fund for state conservation appropriations. The bill was enacted as **Act 110 of 2006**.

**\* Inter-agency Transfers** -- The Senate unanimously approved **Senate Bill 1303**, which would have required the Pennsylvania Gaming Control Board to submit an annual itemized budget, including administrative expenses, to the General Assembly.

Following legislative approval, the Board’s expenses would have been paid through gaming proceeds (section 1401 of the Act) that relates to the slot machine licensee deposits.

The measure was prompted by a dispute over the Governor’s inter-agency transfer of funds between the Revenue Department and Gaming Board in 2006. Following delays in getting slots licensees up and running, the gaming board was running short on funds, prompting the Governor to shift funds between the two agencies.

The bill died in the House Appropriations Committee.

**\* More on Inter-agency Fund Transfers** -- In a 28 to 21 party line vote, the Senate approved **Senate Bill 1305**, which would require the Governor’s office to take additional steps before an interagency transfer of appropriated funds could take place.

Historically, the governor has had the authority to transfer budgeted monies between agencies.

Under the bill, the state budget secretary would have been required to notify both the House and Senate Appropriations Committees in writing about such transfers 10 days in advance. In addition, the Attorney General would have been required to approve the transfer in writing before it can be executed.

Democrats argued that the bill was aimed at doing little more than adding needless bureaucratic hurdles to a funding procedure that governors have used for many years.

The bill was likely prompted by the Rendell Administration transferring excess money from the Revenue Department to help fill funding shortfalls in the Gaming Board’s Budget in 2006r. Administration officials claimed the governor would have vetoed the bill if it reached his desk.



The measure was never acted on in the House.

\* **Debt Cap** -- By a 32-18 vote, the Senate approved **Senate Bill 1368**, which would have amended the Capital Facilities Debt Enabling Act to provide for debt limitation on redevelopment assistance capital projects. The bill would have raised the cap on outstanding obligations for redevelopment assistance capital projects by \$250 million from \$2.65 billion to \$2.9 billion. The bill died in the House.

### **BANKING AND INSURANCE**

\*\*\* **MCARE Abatement Program** The Senate voted unanimously to extend the Medical Care Availability and Reduction of Error Act (MCARE) Abatement Program, whose intent is to keep doctors practicing in Pennsylvania by helping with malpractice insurance premiums.

The measure, **House Bill 2041**, also required that Pennsylvania Insurance Department report on the effectiveness of the program and sets up a commission to address unfunded liabilities in the MCARE system.

The Governor signed the bill into law as **Act 88 of 2005**.

\*\*\* **MCARE Abatement Program** The Senate voted unanimously on legislation that extends the Medical Care Availability and Reduction of Error Act (MCARE) Abatement Program for another year.

The state-run MCARE fund provides relief for doctors struggling to pay rising medical malpractice insurance costs. **Senate Bill 972** extends the MCARE Abatement Program through 2007. Also, emergency physicians, not employed full time by a trauma center or working under an exclusive contract with a trauma center, are also eligible for abatement.

The Governor signed the bill into law as **Act 128 of 2006**.

\*\* **HIPAA Alternative Mechanism Program** The Senate unanimously approved legislation that would have amended the Insurance Company Law to improve the HIPAA Alternative Mechanism program, which ensures that individuals can purchase an individual insurance policy.

**Senate Bill 1335** would have ensured that the premium for HIPAA Alternative Mechanism insurance is the same as the premium for identical coverage in the individual health insurance market. Insurers would have

been required to notify the department if they are utilizing this option, and the rates would have been subject to departmental review.

The bill died in the Senate after the House added amendments.

\*\*\* **Health Savings Account Act** The Senate unanimously passed **House Bill 107**, the Health Savings Account Act. This legislation authorizes the establishment and maintenance of health savings accounts (HSAs) that are offered as an alternative to high-deductible health insurance plans.

The bill exempts from state income taxes any amount paid or distributed out of a HSA to cover qualified medical expenses or reimburse a beneficiary. Contributions to HSAs are not exempt from state income taxes, and high-deductible insurance plans are permitted to continue charging a deductible for certain benefits.

The Governor signed the bill into law as **Act 48 of 2005**.

\*\*\* **Protection for Abuse Victims** The Senate unanimously approved **House Bill 1632**, which provides protections for victims of abuse by ensuring that insurance companies pay for damages caused by abuse.

The definition of “abuse” was broadened to include causing damage to property in order to intimidate or attempt to control the behavior of another person.

The Governor signed the bill into law as **Act 78 of 2006**.

\*\*\* **Financial Statements Expiration** The Senate unanimously passed **House Bill 2542**, clearing up ambiguities that led some lawyers and financial institutions to believe that all financial statements filed under the UCC’s old Article 9 were to expire on June 30, 2006.

The legislation allows Pennsylvania corporations to file a “continuation statement” allowing financing statements filed with the Department of State prior to July 1, 2001 to remain as legally effective documents.

The Governor signed the bill into law as **Act 64 of 2006**.

\*\*\* **Credit Reporting Agency Law** The Senate unanimously approved **Senate Bill 180**, which creates the Credit Reporting Agency Law and provides for consumer report freezes.

Through this legislation, Pennsylvanians will have the right to place a security freeze on their consumer report. The freeze will prevent consumer reporting agencies from releasing an individual's consumer report for credit approval.

The Governor signed the bill into law as **Act 163 of 2006**.

\*\*\* **Interstate Insurance Product Regulation** The Senate unanimously passed **Senate Bill 260**, which establishes the Interstate Insurance Product Regulation Compact. The compact provides uniform standards for individual and group annuities, life insurance, disability income insurance and long-term care insurance.

The Governor signed the bill into law as **Act 78 of 2005**.

By signing this compact into law, Pennsylvania joins other states to establish a joint public agency known as the "Interstate Insurance Product Regulation Commission," a corporate body responsible for enacting and enforcing interstate insurance regulations, reviewing products, rate filings and advertisements, and prosecuting legal proceedings.

The compact would become effective when 26 states — or states representing more than 40 percent of the premium volume for covered lines of insurance — enact this legislation.

\*\*\* **Tax Code Changes** The Senate unanimously approved **Senate Bill 300**, which made several changes to the Tax Reform Code.

The bill exempts investment coins and bullion from the state's sales tax; exempts contributions to health savings accounts from the state income tax; and allows an income tax deduction — and earnings tax exemption -- for contributions to qualified college tuition account programs (IRC 529).

The measure also accelerates the phase-out of the Capital Stock and Franchise Tax by reducing the rate an additional 0.10 mill for tax year 2006. The tax is to be reduced by an additional 1 mill for each year after until the tax is completely eliminated in 2011. The measure also increases the fixed formula deduction used to calculate the capital stock value of a company from \$125,000 to \$150,000 (beginning in 2007); and exempts single member Restricted Professional Companies from the tax.

The bill also reduces the valuation of farmland that has been designated as an agricultural conservation easement to 50 percent of the value determined under the inheritance tax (applies to deaths on or after passage of the act).

The Governor signed the bill into law as **Act 67 of 2006**.

\* **Life Insurance Benefits for PA National Guard** The Senate unanimously passed Democrat-sponsored legislation to improve life insurance benefits for Pennsylvania National Guard soldiers on active duty.

**Senate Bill 398** would have boosted life insurance benefits for soldiers deployed or preparing for deployment to \$400,000. The federal government would have paid the premium for the first \$150,000, and the state would have paid for the next \$250,000.

The bill died in the House.

\*\*\* **Strategic Development** The Senate approved **Senate Bill 854**, which establishes a program of strategic development areas.

Strategic development areas are intended as state and local tax-free areas to encourage economic development with a defined geographic area.

The Governor signed the bill into law as **Act 151 of 2006**.

\*\*\* **Health Insurance Benefits for Military Personnel** The Senate voted unanimously in favor of **Senate Bill 869**, which extends health insurance benefits for certain military personnel who were covered under their parent's insurance and were full-time students at the time of deployment.

To qualify, the student must be a member of the Pennsylvania National Guard or the Reserve who are called to active duty or active state duty, other than for training, for a period of 30 or more consecutive days. Coverage will be extended for a period equal to how long the student was on active duty or until they are no longer a full-time student.

The Governor signed the bill into law as **Act 83 of 2005**.

\*\*\* **Commercial Fire Insurance Policy** The Senate unanimously approved **Senate Bill 1007**, which allows insurance companies to exclude fire damage caused by terrorism from their commercial fire insurance policies.

Commercial fire insurance policies have the following exemptions: enemy attack by armed forces; invasion; insurrection; rebellion; revolution; civil war; usurped power; order of any civil authority; neglect of insured to use all reasonable means to save and preserve property; or loss by theft.

The Governor signed the bill into law as **Act 104 of 2006**.

### **COMMUNICATIONS AND TECHNOLOGY**

\*\*\* **Social Security Identification Protection** The Senate unanimously approved **House Bill 2134**, which limits the collection of Social Security numbers by state agencies and local governments and prohibits placing these numbers on health insurance cards.

The bill establishes a general rule that in applying for a professional license or certification, occupational license or certification, or recreational license, applicants may provide their driver's license number or non-driver ID card number as an alternative to providing their Social Security number.

The Governor signed the bill into law as **Act 160 of 2006**.

\*\*\* **Social Security Identification Protection** The Senate voted unanimously on **Senate Bill 601**.

This bill provides that no individual or entity (including state agencies) is allowed to publicly post a person's Social Security number, print it on an identification card, require its transmission over an unencrypted Internet connection, require its use for accessing an Internet site, or send it through the mail (except as required by state or federal law).

The Governor signed the bill into law as **Act 60 of 2006**.

\*\* **Protection from Spyware** The Senate unanimously approved **Senate Bill 711**, which would have provided for the protection of consumers from having spyware deceptively installed on their computers and for criminal and civil enforcement; and provided for civil immunity under certain circumstances.

The bill died in the Senate after coming back over amended from the House on concurrence.

\*\*\* **Personal Identification Protection** The Senate unanimously passed important consumer protection legislation in response to a rash of security system breaches at data collection agencies and companies.

**Senate Bill 712** requires companies to notify consumers when their personal information (including Social Security numbers, driver's license numbers, and banking information) has been revealed due to a security system breach.

The Governor signed the bill into law as **Act 94 of 2005**.

\*\*\* **Cell Phone Number Options** The Senate unanimously passed **Senate Bill 713**, which requires consumers to opt-in for listing in any cellular phone provider's directory. Also, customers are not charged for having an unlisted cell phone number.

The Governor signed the bill into law as **Act 32 of 2006**.

\*\*\* **U.S. Postal Service Electronic Postmark** The Senate unanimously approved **Senate Bill 770**, which defines the United States Postal Service Electronic Postmark (USPS EPM).

The bill directs governmental agencies to set up policies and procedures for using the USPS EPM or similar services. Executive agencies must comply with standards published by the Office of Administration concerning the use of electronic postmarks.

The Governor signed the bill into law as **Act 173 of 2006**.

\* **Voice over Internet Protocol Fee** The Senate unanimously approved **Senate Bill 936**, which would have required Voice over Internet Protocol (VoIP) telephone service providers to assess a \$1 fee for each customer service line. This fee would have been distributed by PEMA to counties to assist with implementing their 911 plans.

The fee would have been stated separately on a customer's bill and collected separately from any other fee levied by the provider for 911 services. VoIP providers would have been permitted to retain up to 2 percent of the total fees collected as reimbursement for administrative costs. Businesses with over 25 lines through a VoIP telephone provider would have paid a prorated fee for each line.

The bill died in the House.

\* **Phishing** The Senate unanimously approved **Senate Bill 1036**, which would have aided in the battle against identity theft by making it illegal to go “phishing” in Pennsylvania.

Phishing is a crime in which people use e-mail to falsely claim to be an established enterprise in an effort to lure people to a Web site to collect personal data, such as Social Security, bank account or credit card numbers, or passwords. Often the Web site that people are lured to resembles established Internet enterprises, such as eBay.

Under the bill, it would have been a felony offense to phish personal information and would have carried a fine of \$100,000 for each violation, along with the ability to collect damages of up to three times the actual amount (if the court so rules), as well as attorney fees.

The bill died in the House.

\*\*\* **Unfair Trade Practices and Consumer Protection Amendment** The Senate voted unanimously on **Senate Bill 1218**, which amends the Unfair Trade Practices and Consumer Protection Law to exempt Internet service providers from being held liable for unknowingly transmitting false advertising. Similar protections already exist for newspapers and other publications.

The Governor signed the bill into law as **Act 185 of 2006**.

## **COMMUNITY AND ECONOMIC DEVELOPMENT**

\*\*\* **Hotel Tax Increase Authorization** – The quest to lure a professional baseball team to the Lehigh Valley got a boost from the state Senate, which voted 44-6 on legislation to help finance a new minor league stadium. The stadium will host a Triple-A affiliate of the Philadelphia Phillies beginning in 2008.

**House Bill 157** permitted Lehigh and Northampton counties to raise their hotel room tax by 0.5 percent to 4 percent. The counties are using the additional funds for tourism-promotion activities, including building and maintaining a new ballpark in east Allentown. The bill also clarified the appropriate uses of the hotel tax and hotel room tax in third- through eighth-class counties. The bill was signed into law as **Act 12 of 2005**.

\*\*\* **Downtown Location Law Updated** – The Senate unanimously approved legislation that is aimed at revitalizing Pennsylvania’s historic downtowns by encouraging state agencies to locate in downtown facilities.

**House Bill 218** updated the state's Downtown Location Law to tighten its definition of "downtown area," so that business parks and shopping malls located outside the city's central business district do not qualify for the designation.

The bill was signed into law as **Act 39 of 2006**.

\*\*\* **Lancaster Convention Center Project** – Legislation to improve a state program that helps Pennsylvania's cities finance large-scale projects won Senate approval by a final vote of 46-2.

**House Bill 983** made several changes to the Infrastructure and Facilities Improvement Program (IFIP), a program first created with Act 23 of 2004. This program provides multi-year grants for debt service on convention centers, hospitals, hotels, manufacturers, industrial enterprises, retail enterprises, and research and development enterprises. The amount of grant funding is calculated on the basis of the anticipated amount of state sales tax, hotel occupancy tax, and employer withholding of personal income tax to be generated by a project.

This bill makes the program more attractive by allowing applicants to defer the commencement of such grants until construction has been completed and the facility has begun operating. The bill also permits local governments to abate local taxes owed without interfering with an applicant's eligibility for an IFIP grant. This provision was key to clarifying legal questions arising from a controversial convention center project in Lancaster.

In addition, this bill converted the state's existing Film Production Tax Credit Program into a grant program. This program provides \$10 million annually in state funds to films that are produced in Pennsylvania.

The bill was signed into law as **Act 42 of 2006**.

\*\*\* **Community Services Block Grants Extended** – The Senate voted unanimously to extend the Community Services Block Grant program until December 31, 2011. This federally funded program helps community action agencies and other non-profits reduce poverty and assist low-income individuals. **House Bill 1361** was signed into law as **Act 70 of 2005**.

\*\*\* **Budget Agreement Provisions** – The Senate voted 47-2 in favor of legislation that will amend the Fiscal Code and temporarily boost the amount of loans authorized under the Local Government Capital Project Loan Fund.

The conference committee amended the conference report on **House Bill 1992** to include language implementing the budget agreement. These provisions, which are typically included in the actual budget



legislation, were incorporated into a separate bill this year to avoid a repeat of last year's showdown with the governor over his line-item veto of Medicaid waiver language.

(Twenty-one states already receive this type of waiver, which allows low-income women who would not normally qualify for Medicaid to receive family planning services through any Medicaid provider. The Medicaid family planning waiver would enable Pennsylvania to receive \$9 from the federal government for every \$1 of state funds spent and would result in millions of dollars saved each year.)

Pro-life legislators were privately advocating for language that would have made it more difficult for family planning service providers to obtain their share of state funding through the women's medical services appropriation. The traditional deal on family planning funding dates back to the Casey administration and requires a 50-50 split between clinics similar to Planned Parenthood and crisis pregnancy centers that encourage alternatives to abortion. The deal also requires funding recipients to maintain physical and financial separation between projects receiving state funds and any portion of their organization that provides abortion counseling or abortions. Under this agreement, no state funds go toward abortions or abortion counseling.

Family planning service providers had concerns that pro-life legislators would attempt to go beyond the parameters of this deal and take away all funding for family planning projects. These organizations estimate that each year 85,000 low-income women receive health services (including examinations, disease testing, non-invasive contraception, even diabetes screenings) through their state appropriation.

The final version of House Bill 1992 included language codifying the existing deal and extending the separation provision to include family planning service providers funded through the Medicaid waiver. Family planning service providers agreed to the language after a sunset provision was included, voiding the deal if pro-life legislators attempted to remove the women's medical services appropriation or prevent the state from obtaining the Medicaid waiver in the future.

House Bill 1992 also included the following provisions as part of the budget agreement:

- Only 20 percent of grants awarded under the Housing and Redevelopment Assistance Law may be allocated to one political subdivision
- The state appropriation for the State Board of Vocational Rehabilitation includes \$2.6 million to establish a statewide association to provide services to the blind
- Parents of "loophole" children – disabled children who receive Medicaid services because parental income is not considered for eligibility under Pennsylvania law – are required to provide information about their family size, household income, county and length of residence, insurance information, diagnosis and cost of services received (the average cost to the state is around \$10,000 per child for these wrap-around services)
- The Department of Public Welfare is required to submit a report to the General Assembly on these "loophole" children

- The Department of Public Welfare is prohibited from applying for a federal waiver or taking any other action to remove the prescription drug benefit offered under HealthChoices (the state Medicaid managed-care plan)
- Funds appropriated through the Temporary Assistance to Needy Families child welfare transition line item (which had been considered for cuts) are authorized to be provided as one-time grants to county children and youth agencies that are facing shortfalls as the federal government withholds funds for foster care programs
- State Police are prohibited from closing a barracks without holding a public hearing and providing 30 days notice, in the Pennsylvania Bulletin and two local newspapers
- If the state expects another Medicaid shortfall for the next fiscal year, the Budget Secretary is required to notify the legislature by May 15, 2007 and permitted to transfer up to \$290 million from the Rainy Day Fund to make sure payment obligations are not deferred
- Changes to the Tobacco Settlement Fund made in last year's budget are continued for this fiscal year, but the governor's Jonas Salk Legacy Fund proposal, which would have securitized a portion of the state's tobacco monies, is not included
- Startup appropriations to the State Gaming Board (and associated appropriations to the Revenue Department and State Police) are extended for another year, to lapse on June 30, 2007 and to be repaid from slot machine licensees' payments.

The bill was signed into law as **Act 66 of 2006**.

\*\*\* **Blair County Economic Development** – The Senate voted unanimously to approve Senate Democratic-sponsored legislation allowing Blair County to partner with the Port of Pittsburgh Commission for financing economic development projects.

**Senate Bill 1242** amended the Port of Pittsburgh Commission Act to include Blair County as a member of the port district. The bill was signed into law as **Act 131 of 2006**.

\* **New Deputy Secretary for Local Government Services** – The Senate unanimously approved **Senate Bill 261**, which would have created a new Deputy Secretary-level position, within the Department of Community and Economic Development, for the current executive director of the Center for Local Government Services. The bill was sent to the House Local Government Committee, where it was never considered.

## **CONSUMER PROTECTION**

\*\*\* **Barber's License Law Amendment** The Senate unanimously approved **House Bill 1049**, which amends the Barber's License Law to allow the owner of a barbershop to designate either a barber-manager or another licensee to be in charge of the barbershop.

The Governor signed the bill into law as **Act 84 of 2005**.

\*\*\* **Prohibiting Price Gouging During a Disaster** The Senate voted unanimously on legislation that prohibits merchants from raising their prices and taking advantage of consumers in light of a disaster.

**House Bill 2001** prohibits price gouging during and 30 days after the Governor declares a state of disaster emergency. Violators will face a fine up to \$10,000 for each violation from the Attorney General. The measure was prompted after gasoline prices spiked following Hurricane Katrina.

The Governor signed the bill into law as **Act 133 of 2006**.

\*\*\* **Amendment to Real Estate Licensing and Registration Act** The Senate unanimously approved **House Bill 2631**, which no longer requires real estate brokers and salespersons to provide written disclosures about a commercial property if the buyer/tenant or seller/landlord is a corporation or partnership.

Consumer notice will continue to be provided in commercial property transactions if the prospective buyer/tenant or seller/landlord is an individual.

The law amends the current Real Estate Licensing and Registration Act, which requires a real estate broker or salesperson to make certain disclosures in writing during the initial interview when someone is interested in buying the property. If the property is to be leased, the broker must provide a written statement to prospective tenants indicating the relationship of the broker and the property.

The Governor signed the bill into law as **Act 125 of 2006**.

\*\*\* **Directory Information of a Floral Shop or Supplier** The Senate unanimously approved **Senate Bill 198**, which makes it unlawful for a floral shop or supplier to misrepresent itself as a local business in a local telephone directory.

The Governor signed the bill into law as **Act 164 of 2006**.

\*\*\* **Continuing Education for Nurses** The Senate unanimously approved a bill requiring continuing education for licensed nurses in Pennsylvania.

Under **Senate Bill 235** licensees are required to attend and complete 30 hours of mandatory continuing education during each two-year license period.

The Governor signed the bill into law as **Act 58 of 2006**.

\* **Updating Pennsylvania's Certified Public Accountant Law** In the wake of accounting scandals across the country, the Senate unanimously passed a bill that would have tighten accounting regulations in Pennsylvania and mandated certain training.

**Senate Bill 251** would have been the first update of Pennsylvania's Certified Public Accounting law in nearly ten years.

The bill died in the House.

\* **Prohibiting Price Gouging During Declared Emergencies** The Senate unanimously approved **Senate Bill 450**, which would have cracked down on price gougers during declared emergencies ranging from natural disasters to labor strikes.

Under the measure, the Attorney General would have had new powers to investigate and prosecute price gougers if prices go up by more than 20 percent in a seven-day period. The bill contained a key Democratic-sponsored amendment that would have penalized offenders with a maximum \$10,000 fine and restitution.

Skyrocketing gasoline prices in the wake of Hurricane Katrina piqued public support for the legislation.

The bill died in the House.

\*\*\* **Amendment to Engineer, Land Surveyor and Geologist Law** The Senate overwhelmingly approved **Senate Bill 655**, which further provides for general powers of the state registration board for professional engineers, land surveyors and geologists and provide for continuing education requirements.

The legislation adds requirements for continuing education to be fulfilled by individuals licensed and registered under the Engineer, Land Surveyor and Geologist Law. Individuals licensed and registered under the law will be required to complete 24 hours of mandatory continuing education during each two-year licensure period as a condition of biennial renewal.

The Governor signed the bill into law as **Act 170 of 2006**.

\*\*\* **Cosmetology Law Amendment** The Senate unanimously approved **Senate Bill 707**, which amends the Cosmetology Law.

The amendment creates four limited licenses, all of which require a set amount of hours and a passing grade on an exam. The four levels are Esthetician, Hair Technician, Nail Technician, and Natural Hair Stylist.

The Governor signed the bill into law as **Act 99 of 2006**.

\*\*\* **Child Custody Cases** In order to deter frivolous complaints against court-appointed experts and delays in child-custody decisions, the Senate unanimously passed **Senate Bill 845** prohibiting complaints from being filed until 60 days after a final decision in the case.

Bitter parents in child custody cases frequently file complaints to state licensing officials against court-appointed psychologists or other health providers who provide testimony unfavorable to their case.

The Governor signed the bill into law as **Act 175 of 2006**.

\*\*\* **Plain Language Consumer Contract Act** The Senate unanimously approved **Senate Bill 860**, which amends the Plain Language Consumer Contract Act to require under seal a signed statement that, if omitted, shall create an irrebuttable presumption that the parties did not intend to create an instrument in writing under seal.

The Governor signed the bill into law as **Act 176 of 2006**.

\* **Certifying Real Estate Appraisers** The Senate unanimously passed **Senate Bill 917**, which would have brought Pennsylvania in line with other states and the federal government in certifying real estate appraisers.

The bill would have allowed states to cooperate in certifying and licensing appraisers. Pennsylvania would have recognized: Certified Residential Appraisers, Certified General Appraisers, Broker/Appraiser, and Licensed Real Estate Appraiser. Language was also included to recognize an appraisal trainee license.

The bill died in the House.

\* **Home Improvement Contracts** - The Senate passed **Senate Bill 1000** by a vote of 36-14. This bill would have regulated home improvement contracts and the registration of contractors who own and operate a home improvement business or engage in home improvement work.

The bill died in the House.

\*\*\* **Extension of Underground Utility Protection Act** The Senate unanimously approved **Senate Bill 1104**, which sets a new 10-year expiration date of Dec. 31, 2016, for the Underground Utility Protection Act.

The legislation also cleans up existing language in the law by providing new definitions and deleting certain outdated language. Other amendments include changes to the duties of project owners, excavators, facility owners, designers, engineers, as well as changes in the duties of the One Call System. The bill also increases penalties for non-compliance.

The Governor signed the bill into law as **Act 181 of 2006**.

\*\*\* **Acupuncture Registration Act Regulations** The Senate voted unanimously on legislation that further regulates the practice of acupuncture.

**Senate Bill 1235** removes regulatory language from the Acupuncture Registration Act. Prior to the first acupuncture treatment, an acupuncturist is no longer required to ensure that a patient has undergone a medical exam or get from a patient the results of the medical exam or a written referral from a doctor.

Also in the bill, an acupuncturist is able to treat a person's condition without being diagnosed by a licensed physician, dentist or podiatrist for 60 days after the first treatment. An acupuncturist is able to treat a person's condition beyond the 60 days if the person obtains a diagnosis of the treated condition from a licensed physician, dentist or podiatrist.

The Governor signed the bill into law as **Act 186 of 2006**.

## EDUCATION

\*\*\* **Education Funding for 2005-06** – The Senate unanimously approved **House Bill 628**, continuing a significant investment in public education. Under the bill, funding for pre-kindergarten through 12th-grade programs increased by \$278 million, or 3 percent. Funding for basic education and related programs increased by \$186 million, or 3.9 percent.

The Head Start program received a \$15 million increase, allowing an additional 2,200 children to enroll. The bill also included \$28 million in supplemental funds for tutoring in grades 8 through 12, as well as a 2.5 percent increase for special education.

Pennsylvania's community colleges will see an additional \$22.8 million, the largest budget increase (10 percent) in 15 years.

The bill also included a \$22.3 million "Foundation Supplement" designed to help poorer districts keep pace with the statewide average for per-student spending. The bill also:

- Established a state grant program to encourage schools, including vocational-technical schools, to enter into written agreements with postsecondary institutions that permit students to enroll in postsecondary courses and receive both secondary and postsecondary credits for such coursework.
- Provided for a new funding system for community colleges for more predictability and changes how workforce development funds are used in order to create career opportunities.

Further, the legislation established a special Community College Capital Fund for approved capital projects.

The bill was signed into law as **Act 46 of 2005**.

\*\*\* **Tax Cuts for 2006-07** --A pair of omnibus tax code bills (SB300 and HB 859) in the budget provided millions in tax cuts for businesses and individuals.

The business tax cuts included in spending plan include:

- Expansion of the Research and Development Tax Credit from \$30 million to \$40 million annually. The set aside for small business will increase from \$6 million to \$8 million;
- Expansion of the Education Improvement Tax Credit by \$10 million to \$54 million;
- Acceleration of the Capital Stock and Franchise Tax phase-out by 0.1 mill, which allows the rate to drop to 3.89 mills; and

- Net Operating Loss provision expanded from \$2 million to \$3 million.

For individuals, the tax code changes allow for the creation of medical and health savings accounts, exempting contributions from Pennsylvania income taxes, and also exempting from income tax contributions to college savings accounts (529 Qualified Tuition Savings Plans).

Also a part of the budget package, the Senate passed 43-6 the conference committee report on **House Bill 185**, bringing record investment to public schools.

The school budget provides for an extra \$700 million investment in education, including a basic education subsidy increase of 5.7 percent, and special subsidies for poor school districts and growing school districts.

The bill was enacted as **Act 114 of 2006**.

\*\*\* **Return of Retired Teachers** – The Senate unanimously passed **House Bill 894**, making it easier for retired teachers to return to the classroom when needed. The measure relaxes continuing education requirements and keeps retirees' teaching certificates active. The bill also makes it easier for teachers to comply with continuing education requirements by making the courses available online.

The bill was enacted as **Act 5 of 2006**.

\*\*\* **Library Funding** – The Senate unanimously passed **House Bill 1304**, providing a 6 percent increase in library funding for 2005-06 and extending one-year waivers of mandates that were costly to local operations.

The bill was signed into law as **Act 53 of 2005**.

\*\*\* **Graduation for Students with Disabilities** -- By a unanimous vote, the Senate approved an amended version of **House Bill 1618** that requires school districts, vocational-technical schools and charter schools to allow students with disabilities to participate in the graduation ceremony with their high school graduating classmates and receive a "certificate of attendance." This measure applies to students who complete a special education program, but whose individualized education program plan prescribes continued education after the fourth year of high school.

The measure became law as **Act 31 of 2006**.



\* **Parents' Involvement** – By a vote of 40-7, the Senate passed **Senate Bill 143**, which would have required school districts to enhance parent involvement by establishing a parent involvement program, parent involvement policy and parent involvement committee.

The bill was never acted on in the House.

**No Child Left Behind** – The Senate unanimously passed a series of bills designed to meet the guidelines of the federal No Child Left Behind law.

- \* **Senate Bill 146** would have directed intermediate units to coordinate academic programs for school districts and established academic improvement teams for school districts that fall below academic standards. The bill was never acted on in the House.
- \*\*\* **Senate Bill 147** requires the state Department of Education to provide assistance and guidance for schools that are not meeting standards. It was signed into law as **Act 55 of 2005**.
- \* **Senate Bill 148** would have required failing school districts to provide a plan for continuing education of its teachers. The House never acted on the bill.

\*\*\* **School Report Cards** – By a unanimous vote, the Senate approved **Senate Bill 151**, which will require schools to provide more specific information on their annual school report cards.

Under the bill, additional information will be required concerning the performance of students who have been enrolled for less than two years, students who are classified as “Limited English Proficient,” and students with disabilities. The report cards are used under the federal “No Child Left Behind” law to assess the academic progress of schools. Supporters of the legislation claim that more specific detail will provide greater context and give a clearer picture of a school’s true progress.

The measure was enacted as **Act 94 of 2006**.

\* **Mailing Reimbursement** – The Senate unanimously voted to reimburse school districts for the cost of mailing Act 72 notices to homeowners. **Senate Bill 327** would have provided \$3 million to pay for up to two mailings informing homeowners of how to apply for a share of tax cuts provided by gaming revenue.

The bill died in the House Education Committee.

\*\*\* **Homeschoolers and Activities** – Over strenuous objections, mostly from Senate Democrats, the Senate voted 34-16 in favor of **Senate Bill 361**, requiring school districts to allow home-schooled students to participate in district-sponsored extracurricular activities. Under previous law, each school district could decide for itself whether to permit home-schooled students to participate.

After amendments in both chambers, the bill was signed into law as **Act 67 of 2005**.

\* **Science Technology Partnership Program** -- The Senate unanimously approved **Senate Bill 414**, which would have established the Science Technology Partnership Program between higher education institutions and nonpublic or public schools, including at least three public schools or school districts.

Under the bill, a college could have also subcontracted with a nonprofit organization in order to implement the partnership agreement.

The Department of Education would have awarded grants to qualified higher education institutions that have entered into partnerships with schools. Grant funds would have been used to purchase technical equipment and instructional programs.

The bill died in the House.

\* **Reporting Tax Credits** – The Senate voted 46-1 in favor of **Senate Bill 507**, which would have established specific reporting requirements for organizations approved under the educational improvement tax credit program.

The program allows businesses to receive state tax credits for contributions made to nonprofit scholarship organizations, pre-kindergarten scholarship organizations and educational improvement organizations. Previously, there was little information available on the activities of scholarship organizations.

Under the bill, reports with information ranging from the number of scholarships to the names of schools receiving grants would have been due annually on September 1.

A Democratic amendment that was aimed at strengthening accountability by requiring additional reporting was voted down.

The bill died in the House Education Committee.

\*\*\* **Job Training** – The Senate unanimously passed **Senate Bill 511**, which amends the Job Enhancement Act of 1996 to allow master’s degree students to participate in the Technology Work Experience Internship Program, make changes with regard to the Family Savings Account program, and make it easier for companies to be certified

The bill was signed into law as **Act 29 of 2005**.

\* **Public School Code (Land Purchasing)** -- The Senate passed **Senate Bill 642** by a vote of 46-2. The measure amends the Public School Code to set forth a process through which a school district may purchase land or buildings from a sitting school director. The bill was never acted on in the House.

\* **Amendments to Public School Code** -- The Senate unanimously approved **Senate Bill 647**. The bill would have amended Section 1209 of the Public School Code to add certified registered nurse practitioners and physicians’ assistants to the list of professionals who can perform the physical tests needed by teachers in order to get their certification.

The bill would also have required the Department of Education to prescribe a method of submitting a set of fingerprints for new applicants to the FBI, in accordance with federal law.

The bill died in the House.

\*\*\* **Waivers for Libraries** -- The Senate unanimously concurred in House amendments to **Senate Bill 651**, extending by a year waivers to certain regulations for Pennsylvania libraries. To receive state funding, libraries had to comply with certain conditions such as hours of operation. Those requirements have been waived, year-by-year, for three years. The bill was signed into law as **Act 97 of 2006**.

\* **Educational Assistance Program and Accountability Block Grant Program** -- By a unanimous vote, the Senate passed **Senate Bill 652**, which would have clarified regulations regarding the educational assistance program and the accountability block grant program. Under the bill, money from both programs could have been used for tutoring services offered during the school day, as long as the tutoring services would not conflict with the eligible student’s normal course of instruction. The House never acted on the bill.

\* **Public Examination of School District Budgets** -- The Senate unanimously passed a bill that would have made it easier for the public to examine school districts’ proposed budgets. **Senate Bill 672** would have required school districts to submit their proposed budgets to the Department of Education on a standard form supplied by the department, and that the proposed budget would have included line-item expenditures. The bill also would have required that the budget be available for public inspection and copied for a reasonable fee. The measure died in the House.

\* **Teacher Education Requirements** -- The Senate unanimously approved **Senate Bill 679**, which would have given certain teachers one more year to complete continuing education training requirements outlined in **Act 48 of 1999**. Many teachers had complained that they did not get the required one-year notice of the impending deadline. Under the bill, teachers who did not get the notice and have not completed their continuing education would have had until April 2006. The measure died in the House.

\* **Private School Funding for Children with Special Needs** -- The Senate unanimously passed a bill that would have provided funding for private schools that enroll children who are deaf or blind, or have other special needs. **Senate Bill 686** would have clarified provisions in the school code that made it more difficult for the schools and the state to assess their funding needs. The bill called for more rigorous accounting and would have guaranteed funding to cover expenses. The House never acted on the bill.

\* **Public School Code (School Health Services)** -- The Senate approved **Senate Bill 1332** with a unanimous vote. The bill would have amended the Public School Code relating to school health services, definitions and for certain medical examinations.

Schools would have been required to maintain a health record for each student including immunization records, results of screening and measurements, results of all medical examinations, documentation of special health care needs and other information specified by the Health Department. The school would have been further required to make information available to parents or guardians regarding health screenings to be performed throughout the year.

The measure died in the House.

## **ENVIRONMENTAL RESOURCES AND ENERGY**

\*\*\* **Growing Greener II Referendum** – Acting on Gov. Ed Rendell’s Growing Greener II proposal to expand programs aimed at improving Pennsylvania’s environment, the Senate voted 46-1 in favor of **House Bill 2**.

The bill, known as the “Environmental Stewardship Watershed Protection Enhancement Authorization Act,” authorized a referendum on the May 2005 primary ballot to determine whether the state should borrow up to \$625 million for statewide environmental protection and restoration.

The voters overwhelmingly approved the proposal. While it was less than the initial \$800 million the governor had requested, Growing Greener II was substantially more than the \$400 million that was proposed under the Republican Green PA plan.

Following House approval, the governor signed the measure into law as **Act 1 of 2005**.

\*\*\* **Growing Greener Bond** – The Senate passed **House Bill 3** by a 48-2 vote. Under this legislation, funds are allocated under Growing Greener II, which was approved by voters via a ballot referendum in May 2005.

House Bill 3 authorized spending to create and preserve farmland and open spaces; clean up streams, brownfields, and abandoned mine sites; repair and prevent landslides and sinkholes; revitalize older communities; and maintain the state's nearly 4 million acres of park, forest, and game lands.

The \$625 million Growing Greener Bond will be spent over a six-year period and used to build on the state's Growing Greener program.

Growing Greener II also targets \$90 million for counties to fund local initiatives. Senate Democrats were key players in winning legislative approval for the ballot question.

The bill was signed into law as **Act 45 of 2005**.

\*\*\* **Loans for Security Related Infrastructure Improvements** – The Senate unanimously passed **House Bill 612**, which amends the Pennsylvania Infrastructure Investment Authority Act to allow PENNVEST to loan monies it obtains from federal and state sources to public and private water and sewer systems for security-related infrastructure improvements. The bill was enacted as **Act 51 of 2005**.

\*\*\* **Waste Tire Recycling Act** -- The Senate unanimously passed **House Bill 1114**, which strengthens the Waste Tire Recycling Act of 1996 by regulating waste tire facilities, clarifying and strengthening provisions in current law to recover costs of remediation, and dictating requirements for those who discard or receive waste tires. The measure also encourages the use of recycled tire product. The bill was signed into law as **Act 7 of 2006**.

**V Storage Tank and Spill Prevention Act** -- The Senate passed **House Bill 1195** with a unanimous vote. The measure would have amended the Storage Tank and Spill Prevention Act by expanding the eligibility for the Underground Storage Tank Pollution Prevention Program, providing for Underground Storage Tank Indemnification Fund and for the Underground Storage Tank Environmental Cleanup Program.

The Governor vetoed the bill. He said that given the limited funds in the USTIF, the expansion as provided for in House Bill 1195 would have caused a backlog in remediation of truly hazardous tanks. Without revenue to support such an expense, he said there are serious financial implications for existing claimants.

Identifying which tanks may be eligible and the amount of funding assigned for each tank would have also been costly and perhaps litigious.

\*\*\* **Recycling Fee Sunset Date** -- The Senate unanimously passed **House Bill 1902**. The measure amends the "Municipal Waste Planning, Recycling and Waste Reduction Act" (Act 101 of 1988) to extend the sunset date for the recycling fee. The fee would have sunset on January 1, 2009. The bill was signed into law as **Act 140 of 2006**.

\*\*\* **Clean Streams Law** -- The Senate passed **House Bill 2042** with a unanimous vote. The bill amends the "Clean Streams Law" by increasing the grading and penalties for negligent violations.

The grading increases from a misdemeanor of the third degree to a misdemeanor of the second degree, and penalties increase from imprisonment for a period of not more than one year to not more than two years.

Also, this measure removes the requirement that those individuals who are convicted and sentenced to imprisonment be imprisoned in the county jail.

The measure was enacted as **Act 123 of 2006**.

\* **Funding for Hazardous Sites Cleanup Fund** -- **Senate Bill 149** was approved by unanimous vote. This legislation would have provided funding for the Hazardous Sites Cleanup Fund by transferring one-quarter mill of the Capital Stock & Franchise Tax from the General Fund to the Hazardous Sites Cleanup Fund. The funds would have been used for emergency responses, investigations, testing, contracting, and other cleanup activities relating to the release of hazardous contaminants. The House never acted on the bill.

\* **Enforcement Efforts at Landfills** -- The Senate passed **Senate Bill 197** by a 49-1 vote. This bill would have strengthened enforcement efforts at landfills by imposing new penalties on landfill operators who fail to meet certain standards. The bill died in the House.

\* **Environmental Education** -- The Senate unanimously passed **Senate Bill 410**, which would have established the Pennsylvania Center for Environmental Education and its board within the State System of Higher Education. The Center would have identified needs for environmental education, promoted research and developed programs. The measure was never acted on in the House.

\*\*\* **Dormant Oil and Gas Act** -- By a unanimous vote, the Senate passed **Senate Bill 594**, which created trusts for the owners of interests in oil and gas. Such trusts are aimed at encouraging the development of oil and gas resources in Pennsylvania, while protecting owners of oil and gas interests whose identities or whereabouts are unknown.

The bill, which would create new state law known as the "Dormant Oil and Gas Act," was signed into law as **Act 115 of 2006**.

\*\*\* **Storage Tank and Spill Prevention Act Amendment** – By a unanimous vote, the Senate passed **Senate Bill 722**, which amends the Storage Tank and Spill Prevention Act to provide for the continuation of an additional allocation for the Underground Storage Tank Environmental Cleanup Program.

The bill was signed into law as **Act 36 of 2005**.

\*\*\* **Increase of Payment for State-owned Forestlands** – The Senate voted 49-1 in favor of **Senate Bill 868**, which amends the Forest Reserves Municipal Financial Relief Law to increase the payment in lieu of taxes for state-owned forestlands. Previously, the payment to counties, townships, and school districts was 40 cents an acre. This bill increased the payment to \$1.20 per acre.

The bill was signed onto law as **Act 102 of 2006**.

\* **Snowmobile and ATV Operator Requirements** – The Senate passed **Senate Bill 995** with a 44-4 vote. The bill would have removed certain requirements for snowmobile and ATV operators and added a section dealing with special event passes. The bill died in the House.

\* **Mercury Regulations** -- The Senate passed **Senate Bill 1201** with a vote of 40-10. This bill would have prohibited the state Environmental Quality Board from taking action to impose mercury regulations stricter than the federal standard.

Senators supporting the bill said the bill would have prevented job loss and increased electricity rates by allowing coal-fired power plants to continue to operate under the federal regime. Senators who opposed the bill emphasized the negative effects of mercury pollution on children's neurological development and the impact on the state's fishing and tourism industries.

The House never acted on the bill.

## **FINANCE**

\*\*\* **Alternative Investment** -- The Senate passed **House Bill 126** with a vote of 37-13. The measure amends Title 71 (State Government) by further defining the term “alternative investment,” adding the term “alternative investment vehicle,” and would further provide for the administrative duties of the state employees retirement board by implementing limitations on information that is made public.

The measure was enacted as **Act 120 of 2006**.

\*\*\* **Tax Credits and Leaves of Absence for Donors** -- The Senate unanimously approved **House Bill 153**, which encourages organ and bone marrow donations by providing a tax credit and special leave of absence for donors. The bill was enacted as **Act 65 of 2006**.

\*\*\* **State Tax Changes** – The Senate unanimously adopted the joint Conference Committee Report on **House Bill 176**, legislation that amended Pennsylvania’s Tax Reform Code to allow for a check-off box on the state income tax return for military family relief assistance.

The legislation also increases the penalty for filing a fraudulent income tax return and provides for the film tax credit program, electronic fund transfers and reimbursements for tax collection costs.

The governor signed the bill into law as **Act 40 of 2005**.

\*\*\* **Reserve Fund** – By a 46-4 vote, the Senate adopted the joint Conference Committee Report on **House Bill 182**, legislation that provides for the transfer of surplus budget funds from the General Fund to the Budget Stabilization Reserve Fund.

The measure requires that, beginning in the 2005-2006 fiscal year, 25 percent of surplus funds be deposited into the Budget Stabilization Reserve Fund. Of the surplus funds available in 2004-2005, 15 percent were to be deposited into the reserve fund, as well as one-quarter of all funds appropriated for tobacco use prevention and cessation programs and one-eighth of all funds appropriated for health investment insurance and Medicaid benefits for workers with disabilities.

**House Bill 182** also gives the State Workers’ Insurance Board the power to invest a greater portion of the State Workers’ Insurance Fund assets into equities, such as securities including common stock. These equity investments cannot exceed 15 percent of the Fund’s assets or the Fund’s mandatory surplus after the discount.

In addition, the bill provides that any expenses, salaries and other costs incurred from the administration of the Senior Citizens’ Rebate and Assistance Act be paid from the State Lottery Fund.



The governor has signed the bill into law as **Act 41 of 2005**.

\*\*\* **Excess Interest Extension** – The Senate unanimously approved **House Bill 279**, which amends Pennsylvania's Municipal Retirement Law to extend the period to use "excess interest" for administrative expenses. The extension includes calendar years 2001 through 2005.

Under the new law, "excess interest" is not permitted to exceed 0.6 percent of the total asset value of the fund at the beginning of the calendar year.

The bill was enacted as **Act 16 of 2005**.

\*\*\* **Real Estate Tax Sale Law** -- The Senate voted unanimously to approve legislation that allows property owners to have their delinquent taxes discharged if they donate their property to a county, municipality, school district, or municipal authority.

The goal of such legislation is to get new owners for delinquent properties and return them to the tax rolls.

In amending the Real Estate Tax Sale Law, **House Bill 459** also requires tax claim bureaus to maintain public lists of all properties with unpaid taxes from the previous year. Tax claim bureaus now have the authority to report any non-payment of taxes, including liens, to the consumer reporting agencies.

The Senate voted 47-2 on concurrence in House amendments to a similar bill (Senate Bill 640) that would amend the Municipal Claim and Tax Lien Law, which applies to Philadelphia and Allegheny counties. Senate Bill 640 was signed into law as Act 18 of 2006, while House Bill 459 was signed into law as **Act 12 of 2006**.

V **Business Taxes** –The Senate considered legislation that was aimed at improving the state's business climate and lowering the personal income tax rate.

Senate Democrats offered an amendment to **House Bill 515** that would have gone much further than the Republicans in cutting business tax rates and rewarding start-up businesses that create jobs for Pennsylvanians. Democrats proposed the following:

- Cutting the corporate net income tax rate by 20 percent (from 9.99 percent to 7.99 percent)
- Eliminating completely the cap on the net operating loss deduction (which hurts businesses like the steel industry that can have huge losses in a single year and new businesses)

- Moving to a single sales factor for calculating a company's corporate net income tax (which penalizes companies that have large payrolls and a large footprint in Pennsylvania).

The proposal also sought to close the "Delaware holding company loophole," a provision that helps mega-corporations avoid paying any state taxes at all. Republicans defeated the Democratic amendment by a vote of 20-30.

In contrast, the Republican version of **House Bill 515** would have cut the corporate net income tax rate to 9.59 percent, increased the cap on the net operating loss deduction from \$2 million to \$20 million, and transitioned over a number of years to a single sales factor. The Republicans' tax proposal also would have cut the personal income tax rate from 3.07 percent to 3.03 percent in 2007 and to 2.98 percent in 2008. A household earning the median annual income in Pennsylvania (\$41,478) would have saved approximately \$17 on their 2007 state tax bill under this plan.

While the Democratic proposal was revenue neutral, the Republican plan would have cut tax revenues while offering no spending cuts to balance the budget. The Senate voted 31-19 to pass **House Bill 515**.

On concurrence, the Senate voted 35-13 to approve **House Bill 515**, which was amended in the House to reduce the personal income tax rate from 3.07 to 3.05 percent. (This tax cut would have resulted in a savings of \$8 for a household earning the state median income.) Under the final version of the bill, businesses would have been able to carry forward up to \$10 million in losses by 2010. The bill would also have transitioned to a single sales factor by 2010. House amendments eliminated any cut for the corporate net income tax rate.

Citing projections that this bill would have created a \$53 million budget shortfall, the governor rejected this bill as **Veto 1 of 2005**.

\*\*\* **Gift Card, Prepaid Cards and Gift Certificates** -- The Senate passed **House Bill 552** with a unanimous vote. The pro-consumer bill amends the fiscal code to include definitions for general use prepaid cards, gift cards, gift certificates, and qualified gift certificates.

The bill also adds unused gift cards alongside gift certificates as being able to be reverted to the state as unclaimed property. In order for a gift card or gift certificate to be reverted, it must have remained unredeemed for two years after its redemption period has expired, or unredeemed for 5 years after the date of issuance if no redemption period is specified.

More importantly, this measure exempts qualified gift certificates from the Commonwealth's escheats law. A qualified gift certificate is a gift card or gift certificate that does not contain any of the following: 1) an expiration date or period of time after which it expires, 2) any type of post-sale fee (dormancy fee, account maintenance fee, replacement fee, reactivation/activation fee).

Essentially, if a gift card or gift certificate doesn't have an expiration date and a post-sale fee associated with it, the property will never be considered abandoned or unclaimed. If the gift card or gift certificate does have an expiration date or a post-sale fee associated with it, the property will become escheated.

The bill was signed into law as **Act 138 of 2006**.

**V Retirement Benefits for Game Wardens** – The Senate voted to ensure that game wardens and wildlife conservation officers would have received the same retirement benefits provided to other state law enforcement officers.

The Senate voted 45-5 to approve **House Bill 603**, which was subsequently vetoed by the governor (**Veto 2 of 2005**).

He said that since the operations of the Game Commission are not funded out of the General Fund, but by revenues generated by license fees, the implementation of this bill would have a dramatic effect on the Commission's already flailing finances, forcing even more cuts in programs and services or an increase in fees, or both. He also reiterated that he would not sign legislation that either significantly increases spending or reduces revenue without a specific plan to pay for it.

**\*\*\* Pittsburgh School District Taxing Powers** – The Senate unanimously approved **House Bill 859**, which clarifies that the Pittsburgh School District has the authority to levy a 1 percent real estate transfer tax. The bill was enacted as **Act 116 of 2006**.

**\*\* Local Tax Enabling Act** -- The Senate unanimously approved a measure that would have amended the Local Tax Enabling Act, which empowers local municipalities to use a variety of taxation options to raise revenue. **House Bill 1427** would have prohibited the city of Allentown from imposing a local amusement tax on the sale of admissions to sporting events.

The measure died on concurrence in the Senate.

**\*\*\* Home Heating Assistance** – The Senate voted unanimously to support a proposal to supplement the federal Low-Income Home Energy Assistance Program (LIHEAP) with up to \$25 million in state funds.

**House Bill 1539** provides for up to one mill of the utilities' gross receipts tax to be appropriated from the General Fund to a special fund for emergency energy assistance. Gov. Rendell can use these funds to expand the LIHEAP program. Because state tax revenues have exceeded projections for fiscal 2005-2006, this proposal does not negatively impact the General Fund and other state programs.

Twenty-five other states had already supplemented LIHEAP with state funds, and Pennsylvania was the only cold-weather state that had not done so.

Senate Democrats had spearheaded the effort to amend this bill as a vehicle to repeal the pay raise, but this language was removed when another repeal bill advanced out of the House.

The bill was eventually signed into law as **Act 81 of 2005**.

\*\*\* **Local Tax Collection** -- The Senate voted unanimously to approve **House Bill 1725**, which amends the Local Tax Collection Law. Under this bill, a local tax collector can be recertified as a "qualified local tax collector" if he completes six hours of continued education each year.

This bill also addressed the issue of tax collectors retaining records. Under this legislation, a tax collector is required to maintain tax collection records in his possession, but he will not be subject to provisions of the state Right-to-Know Law. Former tax collectors will be required to return all records and copies to the taxing district within five years of their last year in office.

Lastly, this measure requires tax collectors to mail a notice to all delinquent real estate taxpayers. Under the previous law, a tax collector was required to mail notice only to those delinquent taxpayers that he suspected might be over the age of 60.

This bill was enacted as **Act 80 of 2006**.

\*\*\* **Property Reassessment Windfalls (Allegheny County)** – The Senate voted unanimously to approve **House Bill 1743**, which prevents Allegheny County from collecting tax windfalls generated from property reassessments.

While windfalls are already capped at 5 percent by state law, this bill requires the county to lower millage rates after a countywide reassessment so that revenues remain neutral. The county then takes a separate vote to raise the new millage rate and generate additional revenues. This bill also explicitly allows appeals of assessments.

The bill was signed into law as **Act 71 of 2005**.

**\*\* State Spending Limits** – The Senate voted 31-18 to approve **House Bill 2082**, which would have enacted spending limits for the General Assembly through statute. Appropriations from the General Fund would not have been able to grow faster than an inflation index established in this bill.

The bill would have provided for exceptions to the spending limit if the president declares a federal emergency or if the state legislature makes a supermajority vote. In years when tax revenues exceed spending limits, those excess funds would have been divided between a reserve fund (35 percent) and a Taxpayer Fairness Fund (65 percent), which would have provided for a reduction in the personal income tax rate.

The bill died in the House on concurrence.

**V Tax Exemption for National Guard Members on Active Duty** -- The Senate unanimously approved **House Bill 2282**, which would have amended the Tax Reform Code to exempt from the state personal income tax all PA National Guard on active state duty receiving emergency pay.

The governor vetoed the measure (**Veto 11 of 2006**). He stated in his veto message that the bill that provided this benefit for National Guard members was "hijacked" as a vehicle to resolve litigation pending between Internet hotel booking services and the City of Philadelphia. The governor also pointed to what he called "substantive drafting errors" in the bill.

**\* State Spending Limits** – By a vote of 42-8, the Senate approved a bill that would have established spending limits on the state's budget (**Senate Bill 4**). The bill would have put 50 percent of the excess into a budget stabilization fund and used 50 percent to reduce the state personal income tax rate.

The bill was never acted on in the House.

**V Changes for \$52 Occupational Tax** – The Senate approved **Senate Bill 157**, which would have required municipalities to exempt low-income workers from the \$52 occupational tax that was established in 2005. This legislation would also have required municipalities to collect the tax incrementally in each pay period.

Responding to concerns from local ambulance and fire companies that the tax's name (the Emergency and Municipal Services, or EMS Tax) was confusing and detrimental to their fundraising efforts, the tax would have been be renamed the "Local Services Tax" under Senate Bill 157.

The Senate voted 46-4 to approve the House-revised version of the bill.

The measure was vetoed (**Veto 12 of 2006**) by the Governor, who said the requirement to implement the changes by January 1, 2007, was "simply not reasonable." The governor urged the General Assembly to pass similar legislation that would allow installment payments of the EMST while providing municipalities with a reasonable time frame to implement the changes.

\* **PSERS Changes** – The Senate voted unanimously to approve **Senate Bill 384**, which would have required the state Public School Employee's Retirement Board (PSERS) to provide active employee associations and annuitant associations with information from its member records. Members would have been notified and allowed to protect their personal information if they chose. The bill died in the House.

\*\*\* **Improved Pension Benefits for Municipal Police** – By a 49 to 1 vote, the state Senate acted to improve pension benefits for municipal police officers by approving **Senate Bill 394**.

This bill allows townships and boroughs to provide a pension increment benefit of up to \$500 for police officers who have served 25 years or more. This benefit will be paid in addition to any other monthly pension or retirement allowances.

The bill was enacted as **Act 89 of 2005**.

\*\*\* **Property Reassessment Windfalls** – The Senate unanimously approved **Senate Bill 573**, which requires the governing bodies of fourth- through eighth-class counties to cast a separate vote to raise taxes following a countywide reassessment.

The previous state assessment law mandated that after a countywide reassessment, real property tax rates had to be lowered to a rate that would bring in the same amount of revenue as the preceding year.

This action creates a revenue-neutral switch between tax rates before and after the assessment. Counties or municipalities are now permitted to increase property tax revenues by up to 5 percent, and school districts are permitted to increase property tax revenues by up to 10 percent—without a separate vote—in the first year after a countywide reassessment.

The bill was signed into law as **Act 91 of 2005**.

\*\*\* **Alternative Investment Definition** -- The Senate approved **Senate Bill 592** with a 38-12 vote. The bill amends Title 24 (Education) by defining the term “alternative investment” and “alternative investment vehicle” and requiring the school employee’s retirement board to put limitations on public information.

The term “alternative investment” is defined as an investment in a private equity fund, private debt fund, venture fund, real estate fund, hedge fund or absolute return fund.

“Alternative investment vehicle” is defined as a limited partnership, limited liability company or any other legal vehicle for authorized investments through which the system makes an alternative investment.

The board cannot disclose information that would have a detrimental effect on an alternative investment or alternative investment vehicle to be acquired, held or disposed of by the fund or otherwise cause a breach of the standard of care or fiduciary duty.

The bill was enacted as **Act 148 of 2006**.

\* **Property Donations in Lieu of Taxes Owed** – The Senate unanimously approved **Senate Bill 639**, which would have amended Pennsylvania’s Real Estate Tax Sale Law to allow a local taxing district, other than a municipal authority or school district, to accept donated property that is subject to a tax claim. The purpose of the bill was to secure new owners for delinquent properties and return these properties to the tax rolls.

The bill died in the House.

\*\*\* **Property Donations in Lieu of Taxes Owed** – By a 50-0 vote, the Senate passed **Senate Bill 640**, which amends Pennsylvania’s Municipal Claim and Tax Lien Law to allow local governments to accept the donation of a property that is subject to a tax claim.

The purpose of this bill, similar to **Senate Bill 639**, is to secure new owners for delinquent properties and return these properties to the tax rolls. Under **Senate Bill 640**, such donations shall be acceptable for any county, city, borough, incorporated town, township, home rule municipality, optional plan municipality or optional charter municipality.

The bill was enacted as **Act 18 of 2006**.

\* **Property Tax Collection** – The Senate unanimously approved **Senate Bill 709**, which would have amend Pennsylvania’s Local Tax Collection Law to give counties and municipalities the option of allowing taxes to be paid in up to 12 annual installments.

The legislation would also have required school districts to offer taxpayers the option of quarterly, bimonthly or monthly installment payments for real property taxes, by the 2006-2007 school year. Under current law, school districts cannot collect tax payments in more than four annual installments.

In addition, the bill would have allowed local tax collectors to request an increase in compensation within 15 days of a school district’s adoption of monthly installment payments. The tax collector would have been required to send a certified letter containing his or her request and any account of increased administrative costs incurred through the collection of monthly installment payments.

The House never acted on the bill.

\* **Property Assessment Windfalls (Allegheny County)** – The Senate unanimously passed **Senate Bill 726**, which would have set limits on assessments for second-class counties.

The legislation would have given second-class counties the opportunity to appeal, escrow and make payment under protest. In addition, the bill would have prevented the reassessment ratio from exceeding 100 percent of the total amount of property tax revenue collected within the county in the previous year. To keep the reassessment ratio below 100 percent, municipalities and school districts would have been required to reduce their millage rates to maintain revenue-neutrality.

If a taxing authority would have sought to raise the tax rate, the local governing authority would have been be required to cast a separate vote. The bill also would have included a “good cause” provision, which would have allowed political subdivisions to increase the tax rate beyond revenue-neutral limitations with court approval.

**Senate Bill 726** never received House action. Similar legislation was enacted as **Act 71 of 2005 (House Bill 1743)**.

\*\*\* **Extension for County Retirement Boards** – The Senate voted unanimously to approve **Senate Bill 811**, which gives county retirement boards an additional year to adopt enhanced benefit class options under the County Pension Law. The bill was enacted as **Act 174 of 2006**.



**\*\* Unclaimed Property** -- The Senate unanimously approved **Senate Bill 812**, which would have shortened the amount of time that unclaimed property can be held by banks, corporations and others before it is turned over to the state's Unclaimed Property Bureau in the Treasurer's Office.

Under the bill, the period for holding unclaimed property such as bank accounts, stocks, and various proceeds would have been shortened from 7 to 5 years. The time period for tangible property would have been reduced from 3 to 1 years.

The bill died in the Senate on concurrence.

**\* Putting Spending Limit Proposal to Voters** – The Senate voted unanimously for **Senate Bill 884**, which would have allowed Pennsylvania voters to decide through a ballot referendum whether legislative spending limits should become part of the state's constitution.

The bill called for a constitutional amendment that would have prohibited the General Assembly from growing the state budget's beyond small, inflationary increases each year. The legislature would have been able exceed the spending limit only during a Presidential declaration of emergency, a governor's declaration of emergency, or at the governor 's request. In these circumstances, the legislature would have been required to approve a governor's request for excess spending by a supermajority vote.

The House never acted on the bill.

**\*\*\* Tax Appeals Process** -- The Senate voted unanimously for **Senate Bill 993**, which amends the Tax Reform Code to consolidate the tax appeals process for corporations in Pennsylvania. The measure was enacted as **Act 119 of 2006**.

**\* Tangible Personal Property** -- By a vote of 29-19, the Senate passed **Senate Bill 1134**, which would have updated the Tax Reform Code to change the definition of "tangible personal property" to exclude canned software and exempt it from sales tax.

This bill was introduced in response to a Commonwealth Supreme Court decision that held all prewritten or "canned" computer software purchases were subject to state sales tax. The House did not act on the bill.

\*\*\* **Capital Investments for Small Businesses** -- Legislation to help Pennsylvania small businesses invest in capital and cut their state tax bills earned unanimous support in the Senate.

**Senate Bill 1139** makes changes to the state's tax laws that parallel recent amendments to the federal Internal Revenue Code that permit small businesses to deduct up to \$100,000 for capital investments. This legislation also streamlines the process under Pennsylvania law for becoming an S Corporation, a business that is taxed as a partnership, but enjoys the benefits of incorporation. In addition, this measure makes it easier for a small business to qualify for this designation by incorporating another change to the federal tax code, which increases the maximum number of shareholders for an S Corporation to 100.

The bill was enacted as **Act 182 of 2006**.

\*\*\* **Pensions for Surviving Spouses** -- The Senate unanimously approved **Senate Bill 1148**, which permits surviving spouses of fallen police officers in Pittsburgh to continue to receive pension benefits if they decide to remarry. Similar legislation was previously enacted for Philadelphia police officers. The Measure was enacted as **Act 130 of 2006**.

\*\*\* **Abandoned and Unclaimed Property** -- The Senate unanimously approved **Senate Bill 1263**. The bill amends the Fiscal Code regarding property presumed to be abandoned and unclaimed by a rural electric cooperative organized or qualified to do business here in Pennsylvania.

At the discretion of the rural electric cooperative, the abandoned and unclaimed property is retained and used if the property is used within the rural electric cooperative's service territory for energy assistance, educational or civic purposes under a program adopted by the board of directors of the rural electric cooperative.

The bill was enacted as **Act 187 of 2006**.

\*\*\* **Paid Leave for Officials and Officers** -- The Senate unanimously passed **Senate Bill 1285**, which amends Title 71 (State Government) by adding language that cleans up who is eligible for paid leave for the purposes of serving as a full-time official or officer.

This is in reference to an elected full-time officer for a statewide employee organization that is a collective bargaining representative under the Policemen and Firemen Collective Bargaining Act, or the Public Employee Relations Act.

The measure was enacted as **Act 188 of 2006**.

\*\*\* **Sales and Use Tax Exemption** -- The Senate unanimously approved **Senate Bill 1331**. The measure amends the Tax Code to provide an exclusion from the state's sales and use tax for the sale at retail or use of copies of an official document sold by a government agency or a court.

An official document means a "record" as defined in the "Right-to-Know Law." The term includes notes of court testimony, deposition transcripts, driving records, accident reports, birth and death certificates, deeds, divorce decrees and other similar documents.

The measure was enacted as **Act 189 of 2006**.

### **GAME AND FISHERIES**

\*\*\* **Boating Under Influence** - The Senate unanimously passed **Senate Bill 1262** allowing chemical testing to determine how much of a controlled substances a person has consumed while operating a watercraft. The legal blood alcohol content was changed from .10% to .08%. The bill also states that any person who causes bodily injury to another person as the result of operating a watercraft under the influence and is subject to a felony of the second degree. The bill was enacted as **Act 149 of 2006**.

\* **Removing Power from Retired Officers** - The Senate unanimously passed **Senate Bill 1244**, which would take away the power to issue citations from retired wildlife conservation officers, waterways conservation officers, state park rangers and state and municipal police officers. The bill died in the House.

\*\*\* **Trespassing** – The Senate unanimously passed **Senate Bill 539**, which makes trespassing a summary offense under the Game and Wildlife Code. The measure also ensures that repeat offenders are ineligible for hunting or fishing licenses. The bill was enacted as **Act 90 of 2005**.

\*\*\* **Concealed Weapons** - The Senate voted 47–1 in favor of **House Bill 2563**. This bill allows any person who is a law enforcement officer or has a valid license to have a weapon for protection while engaged in an activity regulated under the state Game Code. Requirements for people who are allowed to carry a concealed weapon for personal protection to disarm while engaged in any activity, including all hunting seasons would be removed.

The bill was enacted as **Act 162 of 2006**.

\*\*\* **Game Commission Authority** - The Senate voted unanimously in favor of **House Bill 2090**, which gives more authority to the director of the Pennsylvania Game Commission and allows advertisements in any of their publications and media information. The bill was enacted as **Act 141 of 2006**.

\*\*\* **Hunting and Trapping Coyotes** – The Senate unanimously passed **House Bill 1690**, which allows hunters or trappers to use bait to attract coyotes. The bill also provides for a license exception for those individuals participating in the mentored youth hunting program regulated by the Pennsylvania Game Commission. The bill was enacted as **Act 86 of 2005**.

\*\*\* **One-Day Fishing Licenses** – By a unanimous vote, the Senate passed **House Bill 1650**, which authorizes the Fish and Boat Commission to issue a one-day fishing license for non-residents for \$25.

It marked the first time a one-day, non-resident license was available. Previously, there had been only a one-day, resident license available for \$10. The Fish and Boat Commission suggested this proposal as a way to promote fishing in Pennsylvania. Many states, including several bordering Pennsylvania, had already offered such a license.

The bill was signed into law as **Act 54 of 2005**.

\*\*\* **Marine Businesses** - **House Bill 1641** was passed in the Senate unanimously. The measure will clarify the process for marine businesses to acquire the rights to abandoned boats and watercraft trailers that are left at their businesses. Marine businesses must place a lien on a boat or other equipment for the owner's balance due to the business. If the owner does not claim possession within 30 days of the terminal date then the marine business may choose to have all rights and title transferred to the business.

The bill was signed into law as **Act 79 of 2006**.

\*\*\* **Taxidermist Registration** - The Senate unanimously passed **House Bill 1528**. The bill requires any person who wants to be a taxidermist to register with the Department of Agriculture. The bill was signed into law as **Act 77 of 2006**.

\*\*\* **POW Fishing License** - The Senate unanimously passed **House Bill 1504**. The measure provides a \$1 fishing license for former prisoners of war. The bill was enacted as **Act 11 of 2006**.

\*\*\* **Hunting License for POWs** – The Senate unanimously passed **House Bill 887**, which provides for a \$1 resident hunting license for Pennsylvanians who are former prisoners of war. The bill was enacted as **Act 19 of 2005**.

\*\*\* **Non-Native Injurious Fish** - The Senate unanimously passed **House Bill 1320**, which prohibits the transporting, selling, importing or releasing of non-native injurious fish in addition to the snakehead fish in the Commonwealth.

Offenders are subject to a third degree misdemeanor charge. The measure was signed into law as **Act 75 of 2006**.

\*\*\* **Reduced Fishing Licenses for Military Personnel** – By unanimous vote, the Senate approved **House Bill 1077**. This bill provides a \$1 fishing license for members of the Pennsylvania National Guard and reservists from the U.S armed forces who were on active duty overseas for more than 180 consecutive days.

The bill was enacted as **Act 21 of 2005**.

\*\*\* **Reduced Hunting License Fee for Military Personnel** – The Senate unanimously passed **House Bill 1076**, which provides a hunting license at a reduced fee for military personnel. The bill provides a \$1 resident hunting license for members of the Pennsylvania National Guard and reservists of the U.S. Armed Forces who were ordered to active federal service and deployed overseas for more than 180 consecutive days.

The bill was enacted as **Act 20 of 2005**.

\*\*\* **Child Abuse Investigations** - -The Senate passed **Senate Bill 86** by a unanimous vote. This bill allows for the opening of a child abuse investigation in the child's county of residence if the alleged abuse took place outside of Pennsylvania. The bill was signed into law as **Act 43 of 2005**.

\*\*\* **Foster Parents Adoption Option** - - The Senate unanimously approved **House Bill 127**, which gives foster/resource parents greater standing if a child they care for becomes available for adoption.

Under the act, county agencies are required to interview a child's resource parents as prospective adoptive parents if that child has lived with those resource parents for at least six months and the child's goal has been changed from placement in foster care to adoption.

While foster/resource parents must be considered for the adoption, there is no presumption in favor of the foster parents over other individuals.

The bill was signed into law as **Act 68 of 2005**.

\*\*\* **Ecoterrorism** - - By a vote of 38 to 10, the Senate approved **House Bill 213**, which toughens criminal penalties against "ecoterrorists."

Under the bill, criminal penalties are more stringent if an offender tries to intimidate, coerce, obstruct or prevent someone from engaging in work or research involving animals or natural resources.

The measure also creates a new offense for intentionally destroying fields or crops that are used for testing or research. The penalty is a second-degree felony.

The bill was signed into law as **Act 27 of 2006**.

\*\*\* **Surname Filing** - - By a unanimous vote, the Senate approved **House Bill 399**, enabling a divorcing or surviving spouse to change their name back to their surname by filing with their county prothonotary. Previously, such notices to resume a prior name were filed with the clerk of courts. The bill was signed into law as **Act 18 of 2005**.

\*\*\* **Terrorism Property Forfeiture** - -The Senate unanimously passed **House Bill 456**, amending the Crimes Code to authorize the forfeiture of property used for terrorist activities.

The legislation added a section that will authorize forfeiture to the Commonwealth of all possessions of the organization or individual engaged in an act of terrorism. Depending on which enforcement agency was involved in the prosecution, all surrendered property goes directly to the office of the Attorney General or to the local district attorney.

The bill was signed into law as **Act 71 of 2006**.

\*\*\* **Terrorism Lawsuits** - - By a unanimous vote, the Senate Approved **House Bill 477**, establishing a new cause of action that permits lawsuits against people or organizations that engage in terrorism, or provide material support for terrorism.

The bill was largely aimed at radical eco-terrorist organizations that use fear as a means to discourage lawful activity ranging from logging to research using animals. Exceptions to this action include financial institutions and labor organizations that are conducting their activities within the appropriate regulatory laws.

The bill was signed into law as **Act 2 of 2006**.

\*\*\* **Monument Damage Penalties** - - The Senate unanimously passed **House Bill 496**, which specifically establishes criminal penalties for damaging land survey monuments or markers.

Under the bill, any person who intentionally damages or destroys a survey marker commits a summary offense. If the destruction is done willfully or maliciously, in order to call into question a boundary line, the offense is a second-degree misdemeanor. The offender would also be responsible for restitution and re-establishing the boundaries. The summary offense would not apply when the marker is a natural object like a tree.

The bill also decreased the statute of limitations for the commencement of a civil action, based upon a defective land survey, from 21 years to 12 years.

The bill was signed into law as **Act 72 of 2006**.

\*\*\* **Luring a Child** - - The Senate voted unanimously in favor of **House Bill 746**. This bill criminalized the act of luring a child into a car or building.

Luring or attempting to lure a child now results in a first-degree misdemeanor. The bill was signed into law as **Act 64 of 2005**.

\*\*\* **Civil Case Limits** - - By a 48 to 1 vote, the Senate approved **House Bill 750**, amending the Judicial Code to raise the limit from \$35,000 to \$50,000 for civil cases to be submitted to arbitration before going to trial before a county court. The bill was signed into law as **Act 41 of 2006**.

\*\*\* **Upskirting and Downblousing** - - By a unanimous vote, the Senate passed **House Bill 761**, outlawing voyeuristic video “upskirting” and “downblousing.”

Under the legislation, it is now illegal to secretly photograph or videotape a person’s intimate parts. The measure also made it illegal to transmit such images electronically or over the Internet.

First-time offenders face a year in jail and/or a fine of up to \$2,500.

The bill was signed into law as **Act 69 of 2005**.

\*\*\* **Concealed Firearms** - - To further regulate retired police officers carrying concealed firearms, the Senate unanimously passed **House Bill 1057**. The measure requires all Pennsylvania law enforcement agencies to provide their retiring officers with a photo identification card.

A certified firearms training organization now also provides a yearly “qualification card,” indicating that the officer has completed firearms training and qualification within that year. The combined photo ID and qualification card constitutes the former officer’s license to carry.

The bill was signed into law as **Act 79 of 2005**.

\*\*\* **Trafficking of Persons** - - The Senate unanimously approved an amended version of **House Bill 1112**, creating the offense of “Trafficking of Persons.”

Under the bill, it is now a first or second-degree felony, based on the age of the victim, to recruit, entice, harbor, transport, or obtain another person into “forced labor or services.” If kidnapping or a sexual offense such as rape is involved, the maximum penalty is escalated to life in prison. Violators now also face offense-related forfeiture of property.



The bill was signed into law as **Act 139 of 2006**.

\*\*\* **Indecent Assault** - - By a unanimous vote, the Senate approved **House Bill 1400**, which added “intentionally causing a complainant to come into contact with seminal fluid, urine or feces for the purpose of arousing sexual desire” to the state’s indecent assault law. The bill was enacted as **Act 76 of 2005**.

\*\*\* **Hunting Animals by Computer** - - By a unanimous vote, the Senate approved **House Bill 1435**, which banned computer-assisted remote hunting of Pennsylvania animals.

Under the bill, it is a Third Degree Misdemeanor to shoot animals by computerized remote control. The bill was introduced in response to an Internet web site that allows its subscribers to sit at their computer and fire remote-controlled guns at animals by clicking their computer mouse.

The bill was signed into law as **Act 63 of 2005**.

\*\*\* **Paintball Equipment** - - The Senate unanimously approved **House Bill 1686**, which made the transportation of paintball supplies safer, but also differentiated a paintball marker from firearms such as air rifles or BB guns.

The legislation was partially in response to a court ruling that deemed a paint ball marker a weapon under the criminal code. The bill also required that a marker be disabled and empty when it is in a vehicle. In addition, the paintballs must now be in a sealed container and the gun kept in a secure wrapper.

The bill was signed into law as **Act 85 of 2005**.

\*\*\* **Keeping Guns Away from Abusers** - - The Senate voted 48 to 2 in favor of **House Bill 1717**, which gave county judges the option of ordering defendants with PFA (Protection From Abuse) orders against them to surrender all of their guns and other weapons to a sheriff or approved third party within 24 hours of the PFA’s activation.

Weapons are now withheld during the duration of the PFA order. Surrender of weapons is mandatory if a PFA is violated. The amended bill also allows law enforcement to impose criminal charges for failure to surrender weapons when ordered, along with an up to five-year jail sentence and a fine of up to \$10,000. Additionally, people convicted under the law permanently lose their right to possess firearms.

The amended bill, which was supported by the National Rifle Association as well as victims' rights organizations, was signed into law as **Act 66 of 2005**.

\*\*\* **Philadelphia Court Fees** - - The Senate passed **House Bill 1746** by a vote of 47-2. The measure amended the Judicial Code to increase court fees in Philadelphia.

Under the bill, the prothonotary fees in Philadelphia increased by up to 8 percent. Fees also increased for the Philadelphia municipal court. There is now a \$5 charge for every commencement of action and for every defendant's first filing fee, as well as a 20 percent surcharge on all filing fees charged by the Philadelphia prothonotary. The Philadelphia prothonotary, with the approval of the president judge, now has the opportunity to increase fees every three years.

The bill was signed into law as **Act 81 of 2006**.

\*\*\* **Valid Recording of Documents** - - The Senate unanimously passed **House Bill 2425**, which provide requirements for the valid recording of documents.

The bill requires that a properly recorded document should not contain constructive notice to a subsequent purchaser unless, for other counties that utilize the uniform parcel identifier system, the uniform parcel identifier is endorsed or included on the document.

These changes may not make any recording officer or political subdivision liable for any mistake in any index.

The bill was signed into law as **Act 86 of 2006**.

\*\*\* **Sex Offenders Residence** - - The Senate unanimously approved **House Bill 2447**, providing the public with greater detail on where sexual offenders reside.

Previous law authorized the State Police to list "sexual offenders" in its "Megan's Law" website by municipality and zip code. This legislation requires that street addresses also be included.

The bill also enables courts to order convicted criminals to pay the costs incurred by a sheriff in transporting them from a county jail to the district justice office, the courthouse, and a state prison.

The bill was signed into law as **Act 143 of 2006**.

\*\*\* **Parental Rights Termination** - - The Senate unanimously approved an amended version of **House Bill 2670** that brought Pennsylvania into compliance with federal law by terminating parental rights if a parent kills, commits aggravated assault or solicits to commit such crimes against his or her child.

The measure also permitted the release of confidential information in child abuse investigation reports to certain federal agencies and a new citizen review panel. The panel, consisting of at least three citizens, now examines policies, procedures and practices of the child protective services system and review child fatalities and near fatalities.

The bill also requires the Department of Public Welfare to provide quarterly reports to the Governor and General Assembly with the findings of each case of child abuse or neglect that resulted in a fatality or near fatality.

The legislation was signed into law as **Act 146 of 2006**.

\* **Organized Crime Slots Deterrence** - - The Senate unanimously approved **Senate Bill 18**, which was aimed at deterring organized crime from infiltrating the state's new slots industry.

The measure would have allowed violations under the state's gaming law to be prosecuted under the federal RICO (Racketeer Influenced and Corrupt Organizations) Act. In investigating gaming industry violations, the RICO law would have given the State Attorney General's office greater access to law enforcement tools such as wiretaps and grand juries.

While supporting the bill, Democrats reiterated their call for legislation to ban lawmakers and all of their family members from having any financial stake in gaming.

The bill died in the House, but some of its reform initiatives were later included in Senate Bill 862 (Act 135 of 2006).

\*\*\* **Immunity on Employee Background** - - The Senate unanimously approved **Senate Bill 69**, which provides immunity for employers who provide information about current or former employee's job performance to a third party. Under the bill, the immunity does not apply if the information is deliberately reckless, untruthful, misleading or in violation of a disclosure law or agreement.

After House concurrence, the bill was signed into law as **Act 3 of 2005**.

\* **Child Custody Cases** - - The Senate unanimously passed **Senate Bill 74**, which would have given courts more flexibility in child custody cases by removing any presumption that a child should be awarded to a particular parent.

Instead, the court would have to decide child custody issues in the “best interests of the child” based on a list of factors that range from educational continuity to sibling relationships. The legislation was largely the result of recommendations of the Joint State Government Commission Task Force and Advisory Committee on Domestic Relations Law.

The bill died in the House.

\*\*\* **Divorce Law Correction** - - By a unanimous vote, the Senate approved **Senate Bill 124**, which corrected a Divorce law (Act 175 of 2004) oversight concerning the equitable division of pension/retirement property.

The measure applied the provisions of Act 175 to cases that were pending prior to the law’s effective date. The bill was signed into law as **Act 4 of 2005**.

\* **Identity Theft Victims** - - By a unanimous vote, the Senate approved **Senate Bill 178**, which would have amended the Crimes Victims Act to make identity theft victims eligible for crime victim services.

The bill would have also expanded the membership of the Victims’ Services Advisory Committee from nine to 11, and have at least one member represent the interests of identity theft victims.

The bill died in the House Judiciary Committee.

\* **Limited Immunity for Physicians and Health Care Facilities** - - The Senate voted 45 to 5 in favor of **Senate Bill 196**, which would have provided physicians and health care facilities with limited immunity from administrative and civil prosecution if they reported patients to the police for the illicit use or attempt to obtain a controlled substance.

While the bill would have protected doctors, who in good faith, report patients for the illicit use of prescribed drugs, it would not have established a duty to report if the physician did not believe that sufficient evidence exists that the controlled substance was used for an illicit purpose.

Currently, licensed physicians and osteopathic physicians are prohibited from disclosing any confidential information concerning patients.

The bill died in the House.

\*\*\* **Technical Errors on Property Transfers** - - The Senate unanimously approved **Senate Bill 248**, which extended the application of Act 69 of 1967 from 1997 to 2005. Reauthorized periodically, the original act validated conveyances and other instruments that have acknowledgements containing technical errors. When an acknowledgement has a technical error, it makes subsequent transfers of property difficult unless the error is corrected by the act. This bill validated such acknowledgements for deeds and mortgages that fall between 1996 and 2005.

The bill was signed into law as **Act 27 of 2005**.

\* **"Son of Sam" Law** - - By a unanimous vote, the Senate approved **Senate Bill 256**, which would have amended Pennsylvania's "Son of Sam Law" that bans a person from profiting from the commission of a crime. Currently, the victim may only recover the profits from someone who planned or committed the crime. This measure would have allowed the victim to also recover money damages to cover their attorney's fee.

The bill died in the House.

\*\*\* **Judicial Service Fees** - - The Senate unanimously concurred in House amendments to **Senate Bill 303**, which increased numerous fees that constables can charge for various civil and criminal judicial services.

The measure also, in some cases, enabled a constable to be accompanied by a second constable. In addition, the bill allowed for the pre-payment of fees in landlord-tenant actions.

The bill was signed into law as **Act 59 of 2006**.

\*\*\* **Foreign Adoption Decree** - - The Senate unanimously approved **Senate Bill 332**, which standardizes the procedures for the filing of a foreign adoption decree. In addition, the adoptive parent will not need to go through a formal hearing or obtain counseling to adopt a child.

Previous foreign adoption procedures varied between counties, which resulted in burdensome costs and paperwork. Under the bill, the adoptive parents now file an authenticated copy of the decree of adoption and a form of birth identification with their county's clerk of courts.

Once the court finalizes the adoption, no formal hearing or counseling will be necessary. In addition, the court will enter the adoption on the record, issue a certificate of adoption and send documentation to the Bureau of Vital Statistics. The court will also be required to develop a standard petition, court order and instructions for occasions when a child must be readopted to finalize foreign adoptions. Any documentation filed with the court will be maintained by the court as a permanent record, and kept confidential absent a court order.

**Senate Bill 332** was signed into law as **Act 96 of 2006**.

**\*\* Home Invasion Sentencing -** By a unanimous vote, the Senate approved an amended version of **Senate Bill 386**, which would have assured that sentencing courts could impose the toughest possible penalties for burglary and home invasion.

The Democrat-sponsored bill would have corrected an inconsistency in how the state's burglary and "Three Strikes" laws treat burglary in instances such as a home invasion when the victim is present. The burglary law currently grades the crime as a first-degree felony regardless of whether or not the victim is present. The "Three Strikes" law only applies to burglary when a victim is present at the time the crime is committed. This discrepancy can shield a repeat offender from the additional 22 years in prison that a repeat offense would bring under the "Three Strikes" law.

The change to the burglary statute would have also preserved heightened penalties under the sentencing guidelines that are now routinely utilized by courts when the crime is committed and a victim is present.

The bill died on concurrence in the House.

**V Civil Damage Liability -** In what was largely a party line vote, the Senate voted 32 to 18 in favor of reinstating the so-called "Fair Share Act" that governs how much of a financial share defendants can be responsible for in civil lawsuits.

Currently, a defendant liable for a very small percent of the damages can be required to pay the full amount of damages if other defendants do not have the means to pay their share.

Under **Senate Bill 435**, defendants would have only paid damages proportionate to their liability, unless they acted deliberately or were more than 60 percent liable.

The measure was enacted previously, but struck down by the courts on procedural grounds.

Democrats criticized the bill for not doing enough to protect victims, and making physicians more vulnerable to lawsuits against their personal assets. A compromise amendment (containing some of the provisions of Senate Bill 563) that would have apportioned damages between remaining defendants after first taking out the plaintiff's share of liability was defeated 26 to 24.

The bill was passed in the house and subsequently vetoed by the Governor.

\*\*\* **Sexual Assault Testing and Evidence Collection Act** - - The Senate unanimously approved **Senate Bill 439**, known as the Sexual Assault Testing and Evidence Collection Act, that directs the Department of Health to oversee a statewide sexual assault evidence collection program.

Prior to this bill, evidence collection for the prosecution of sexual offenses varied from location to location.

This measure requires the development of a minimum standard for rape kits, which will be analyzed every three years; and overseeing the development and delivery of evidence collection and management training to health care facility staff.

The bill was signed into law as **Act 165 of 2006**.

\*\* **Updating Title 61** - - By a unanimous vote, the Senate passed **Senate Bill 506**, which would have updated and consolidated various freestanding statutes concerning prisons and probation and parole under Title 61. Obsolete laws and sections, some dating back nearly two centuries, would have been deleted.

The bill was amended and passed in the House and died in the Senate on concurrence.

\*\*\* **Estates** - - The Senate unanimously approved **Senate Bill 509**, giving state and local governments more of a priority status when the assets of an estate are insufficient to pay all of its debts.

Previously the Commonwealth was last on the priority list, appearing in the general category of "all other claims." A similar bill (Senate Bill 304) was approved by the General Assembly last year, but was vetoed by the governor.

The bill was signed into law as **Act 17 of 2006**.

\* **Sexual Violence Victim Protection Act** - - In an effort to provide additional protection for victims of sexual assault, the Senate unanimously approved **Senate Bill 553**, which would have established the “Sexual Violence Victim Protection Act.”

Under the bill, a victim could have petitioned the court for protection from a defendant. The court would have been required to hold an expedited hearing at which the plaintiff would need to prove the need for protection by a “preponderance of the evidence.” The defendant would have had the right to legal representation.

The court could have banned the defendant from having any contact with the plaintiff for up to 18 months. Those who violate the order could face up to six months in prison and a fine of up to \$1,000.

The bill died in the House.

\* **Prohibiting Contraband** - - The Senate unanimously passed **Senate Bill 557**, which would have expanded and clarified the provisions prohibiting contraband in the Crime Code.

The legislation would have increased the grading from a first-degree misdemeanor to a second-degree felony if someone delivers a weapon, implementation of escape or supplies dangerous material such as explosives to an inmate or confined patient.

Senate Bill 557 would have also defined the classes of inmates as any person detained or incarcerated in a correctional institute, mental hospital, youth development center, and youth forestry camp.

The House never acted on the bill.

\*\*\* **Keep Arsonists from being Firefighters** - - The Senate voted 48-0 for **Senate Bill 583**. This Senate Democratic bill forbade any person convicted of arson under any federal or state law from serving as a volunteer or paid firefighter and from being certified as a firefighter under the State Fire Commissioner Act.

Additionally, the bill provided for two methods to guarantee that applicants have no previous arson convictions. They included an official criminal history showing no convictions, or a signed and dated statement swearing that the person was never convicted of arson.

The bill was signed into law as **Act 168 of 2006**.



\*\*\* **Disarming a Police Officer** - - The Senate unanimously concurred in House amendments to **Senate Bill 584**, which added the offense of “disarming a law enforcement or corrections officer” to the Crimes Code. Under the Democrat-sponsored bill, it is now a third degree felony to disarm a police officer or deprive them of their weapon. The felony offense subjects offenders to a fine of up to \$15,000 and up to seven years in jail. The bill was signed into law as **Act 30 of 2005**.

\*\*\* **Minors on Non-profit Board of Directors** - -The Senate voted 39 to 11 in favor of **Senate Bill 595**, authorizing non-profit corporations to appoint minors, who are at least 16-years-old, to their board of directors if provided in the articles of incorporation of the non-profit corporation. Previously, the minimum age was 18. The bill was signed into law as **Act 6 of 2006**.

\*\*\* **Horse Farm Owner Immunity** - -The Senate unanimously approved **Senate Bill 618**, which provided immunity for horse farm owners and handlers as long as a sign is posted stating that the participant assumes the risk when they engage in any of the equine activities offered. The bill was signed into law as **Act 93 of 2005**.

\*\*\* **Living Will** - - The Senate unanimously approved **Senate Bill 628**, which updated the state’s “Living Will” law to bolster efforts to carry out a patient’s wishes when they are terminally ill.

Under the bill, a “do not resuscitate” order can be transferred between facilities. The measure also strengthened, clarified and provided oversight concerning a patient’s personal representative, created comprehensive health care powers of attorney, and clarified procedures concerning treatment uncertainties.

The bill was signed into law as **Act 169 of 2006**.

\* **Extra Protection for Mass Transit Workers** – The Senate voted 42-8 in favor of **Senate Bill 629**, which would have added mass transit employees to the list of officers and employees protected under a higher graded penalty in the state’s aggravated offense law.

Under the bill, aggravated assault would have risen to a first-degree felony, punishable by a fine of up to \$25,000 and up to 20 years in prison, if it results in “serious” bodily injury to a mass transit employee. Other physical injuries would have constituted a second-degree felony, punishable by a fine of up to \$25,000 and up to 10 years in jail.

Mass transit employees would join a list of 27 other categories of workers covered under the increased grading ranging from police officers to Children and Youth Services employees.

The bill is now in the House Judiciary Committee.

\*\*\* **Codification of the Uniform Trust Code** - - The Senate unanimously approved **Senate Bill 660**, which was introduced at the recommendation of the Joint State Government Commission's Advisory Committee on Decedents' Estates Laws.

The legislation codified the Uniform Trust Code with some modifications to preserve Pennsylvania's terminology and substantive law on certain points. An organized and comprehensive codification of trust law makes it easier for Pennsylvania lawyers and judges to find the law; trustees who do business in more than one state to comply with Pennsylvania law; and beneficiaries of Pennsylvania trusts to know when and how to enforce their rights.

Additional amendments in the bill included a new provision regarding the cost of the distribution of tangible personal property and language relating to the rule against perpetuities and mutual funds.

The bill was signed into law as **Act 98 of 2006**.

\*\*\* **No Property Heirs** – The Senate unanimously approved **Senate Bill 665**, which authorized the granting of letters of administration to a Redevelopment Authority.

The bill was introduced to address instances where the owner of property has died leaving no heirs to dispose of the property, to correct errors or satisfy delinquencies.

Under the bill, letters of administration are now granted to the Redevelopment Authority for the purposes of disposing of the property described in the petition of the authority.

The bill was signed into law as **Act 171 of 2006**.

\* **Minority Representation on Juries** - - Taking a substantial step toward insuring that there is minority representation on juries, the Senate unanimously approved **Senate Bill 668**.

Under the Democratic-sponsored bill, counties could have expanded the substance and diversity of their jury pools by contacting the state Administrative Office of the Pennsylvania Courts to access rosters of Pennsylvania residents from the state Revenue and Health and Welfare Department rolls.

The bill died in the House Judiciary Committee.

\*\*\* **Court Interpreters** - - The Senate unanimously approved **Senate Bill 669**, a Senate Democratic bill that amended the Administrative Law and Procedure Code and the Judicial Code to standardize qualifications for those who interpret foreign languages or provide interpretation services for the deaf in Pennsylvania courtrooms and administrative proceedings.

This bill directed the Court Administrator and the Department of Labor and Industry to establish a program for identifying certified and otherwise qualified interpreters for persons with limited English proficiency and persons who are deaf. The bill ensures that a listing of these interpreters is available to litigants statewide for all administrative, civil, and criminal proceedings.

The legislation also provides procedures for dismissing an interpreter whose services are inadequate and bringing in another interpreter.

This bill was signed into law as **Act 172 of 2006**.

\* **Duplicative Death Benefits** – By a unanimous vote, the Senate approved **Senate Bill 759**, which protects the State Employee Retirement System, Public School Employee Retirement System, or Pennsylvania Municipal Retirement System from paying duplicative death benefits. The bill died in the House.

\* **Greyhound Race Simulcasts** - - The Senate unanimously approved **Senate Bill 773**, which would have made it a first-degree misdemeanor to transmit or receive greyhound race simulcasts for commercial purposes.

While current law bans greyhound racing in Pennsylvania, it does not prohibit simulcasting the races from other states.

The bill died in the House Judiciary Committee.

\*\*\* **Adult Offender Application Fee** - - The Senate unanimously passed **Senate Bill 775**, amending the Interstate Compact for the Supervision of Adult Offenders to require that certain offenders pay an application fee of up to \$150.

Under the measure, individuals who want to transfer their supervision from Pennsylvania to another state under the compact are now assessed the fee.

The legislation amended the Interstate Compact for the Supervision of Adult Offenders Act by adding the Interstate Compact for the Supervision from Pennsylvania to another state under the compact.

The bill was signed into law as **Act 100 of 2006**.

\* **Underage Drinking Immunity** - - By a unanimous vote, the Senate approved **Senate Bill 780**, which would have provided immunity from prosecution for underage drinking to minors who call 9-1-1 seeking medical attention for others.

It is believed that current law discourages minors who have been drinking from seeking medical help for others because reporting the emergency exposes that minor to an underage drinking arrest. To qualify for the proposed immunity, the minor would have been required to use their name when reporting the emergency and remain with the person needing medical attention until emergency help arrives.

The House never acted on the bill.

\* **Bail for Capital Offenders** – By a unanimous vote, the Senate approved **Senate Bill 798**, which would make the Judicial Code consistent with the Constitutional provision that denies bail for those charged with a capital offense, an offense punishable by a maximum term of life imprisonment, or situations where the safety of any person in the community cannot be assured.

The House never acted on the bill.

\* **Military Personnel Firearm Carrying Extension** - - By a unanimous vote, the Senate approved **Senate Bill 866**, which would have given deployed military personnel a 90-day extension on their a license to carry a firearm.

Under the Democratic-sponsored bill, the extension would have been granted if the permit were scheduled to expire while the soldier was deployed overseas.

The bill died in the House.

\*\*\* **Abusing Police Animals** – The Senate unanimously concurred in amendments to **Senate Bill 895**, making it illegal to taunt or abuse police animals, such as drug dogs or crowd control horses used by metropolitan transportation authorities or the Capitol Police. Under the measure, offenders can be charged with a third-degree felony and required to pay restitution and veterinary bills. Previously, the law only applied to police agency animals.

The bill was signed into law as **Act 96 of 2005**.

\* **Failure to Identify Yourself** - - By a 46 to 1 vote, the Senate approved **Senate Bill 935**, which makes it a third-degree misdemeanor (maximum of one year in jail and fine of up to \$2,500) to fail to identify oneself, upon request, to a law enforcement officer after being stopped on reasonable suspicion for the commission of a crime.

While a person could have been detained for a short period of time while the officer verifies a person's identification, the person would not have been required to answer an officer's questions.

The bill died in the House.

\*\*\* **Megan's Law and Jessica's Law** - - The Senate voted 48-0 in favor of **Senate Bill 944**, toughening Pennsylvania's Megan's Law statute and enacting a version of Jessica's Law in the state.

This legislation amended sections 3121 (relating to rape) and 3123 (relating to involuntary deviate sexual intercourse) to increase the penalties for these offenses. In both cases, a minimum sentence of 25 years and a maximum sentence of 50 years can now be imposed for an offense that involves a child under the age 13. Also, a person convicted of rape or involuntary deviate sexual intercourse with a child with serious bodily injury would be sentenced to a minimum term of 50 years and up to a maximum term of life in prison.

The legislation established a new chapter in the Crimes Code to require the forfeiture of property used in the commission or to facilitate a violation of the crimes of rape, involuntary deviate sexual intercourse, statutory sexual assault, aggravated indecent assault or indecent assault or for the offense of failing to comply with the registration requirements of Megan's Law.

The bill also required Megan's Law registration for any Pennsylvania resident who was convicted of a crime in another state.

It also required that a sex offender include more specific residency information when registering under Megan's Law, mandate that sexually violent predators wear a global positioning system bracelet for the remainder of their natural life, and make it a criminal to remove, tamper or alter such device.

In addition, the bill required the Pennsylvania State Police to establish an online, publicly accessible database that enables residents to see the location of sex offenders on a map relative to the resident's home address. Information on the website must include a current photograph of the offender as well as a listing of all current criminal charges and information relating to the number of victims, their gender and ages.

Finally, the legislation directed the Legislative Budget and Finance Committee to conduct a comprehensive study of the monitoring and regulation of sex offenders and sexually violent predators and to make a full report of its findings annually to the Judiciary Committees of the House and Senate.

The bill was signed into law as **Act 178 of 2006**.

**\*\* Bank Robberies** - - The Senate unanimously approved **Senate Bill 957**, which would have made it a first-degree felony (maximum of 20 years in prison and a fine of up to \$50,000) for committing a robbery on the premises of a bank or other financial institution.

Currently, such robberies can qualify for lower graded penalties based on the degree of force used.

The bill died in concurrence in the Senate.

**\*\*\* Megan's Law Website** - - The Senate unanimously approved **Senate Bill 1054**, amending the Judicial Code by adding to the duties of the State Sexual Offenders Assessment Board and by adding required information to be posted on the public Megan's Law website.

Under the bill, the board has to include a written description of the criminal offense that triggered the assessment.

The bill also made it mandatory to have additional information on the internet about the sexually violent predators including a special designation if the victim was a minor, where the offender resides, name of school, municipality of employer, description of offense, and release dates for those imprisoned. It also includes a physical description of the offender that includes any identifying characteristic and whether or not the offender is compliant with registration requirements.

The bill also amended Title 18 to acknowledge that employers of offenders should share in responsibility for the welfare of the children; Title 42 by increasing the statute of limitations for sexual criminal offenses when the victim is under 18, the statute is increased to 32 years after the victim's 18<sup>th</sup> birthday.

Finally, the bill amended the Child Protective Services Law to require employers to perform background checks on all potential employees who would have regular contact with children.

The bill was signed into law as **Act 179 of 2006**.

\* **Innocence Commission** - - By a unanimous vote, the Senate approved **Senate Bill 1069**, which would have establish a 30-member Innocence Commission.

The commission would be responsible for studying wrongful conviction cases where someone was convicted and later determined to be innocent.

After identifying common causes for wrongful conviction, the commission would be responsible for identifying legal and legislative solutions.

The Chief Justice, Governor and state lawmakers would recommend the commission members. The Joint state Government Commission would provide staffing.

The bill died in the House.

\* **Precursor Substance** - - By a vote of 50-0, the Senate passed **Senate Bill 1115**, which would have amended the "Controlled Substance, Drug, Device, and Cosmetic Act" to include the definition of a precursor substance.

It would have been an offense to transport ammonia gas with the purpose to illicitly manufacture a controlled substance. Also, it would have been a crime to possess a precursor substance with the objective to unlawfully manufacture a controlled substance. The bill, which died in the House, was aimed at curbing the growing production of illegal drug methamphetamine.

\* **Methamphetamine Laboratories** - - The Senate unanimously approved **Senate Bill 1117**, which would have amended the Criminal Code by adding a section making it a crime to operate a methamphetamine laboratory.

The legislation would make it illegal to knowingly cause a chemical reaction involving ephedrine, pseudoephedrine or phenylpropanolamine or any of their salts, optical isomers or salts of optical isomers for the purposes of manufacturing methamphetamine or preparing a precursor substance for the manufacture of methamphetamine. Violators would have been subject to second-degree felony.

Also, if the offender operated a “meth” lab near a school, daycare center, recreation center or playground, the offense would have been be upgraded to a first-degree felony.

The bill died in the House.

\* **Manufacturing Methamphetamine** - - The Senate unanimously approved **Senate Bill 1118**, which would have amended the Controlled Substance, Drug, Device and Cosmetic Act to make it a violation to knowingly possess various salts and optical isomers including, ephedrine, pseudoephedrine or phenylpropanolamine for the intention of manufacturing methamphetamine.

Under the bill, violators would have been subject to up to six months and a fine of up to \$10,000. In addition, a conviction for a second or subsequent offense could have resulted in imprisonment up to two years and a fine of up to \$25,000.

If there is proof that a person is in possession of more than 40 grams or 15 packages, the measure would have established a rebuttal presumption that the person is acting with the plan to manufacture meth.

The bill died in the House Judiciary Committee.

\* **Methamphetamine Cleanup Reimbursement** - - The Senate unanimously approved **Senate Bill 1119**, which would have amended the Controlled Substance, Drug, Device and Cosmetic Act to require reimbursement to law enforcement for the costs of cleaning up environmental hazards associated with the operation of a methamphetamine laboratory.

Under this bill, a person convicted of operating a methamphetamine lab or the use of a precursor substance to manufacture methamphetamine would have been required to reimburse the appropriate law enforcement agency for the costs of cleaning up the environmental hazards associated with the operation of such a lab.

The bill died in the House Appropriations Committee.



\* **Methamphetamine Labs and Children** - - The Senate unanimously approved **Senate Bill 1120**, which would have increased the penalty for operating a methamphetamine lab while children are present.

Under the proposed change to the Crime Code, it would have been a third degree felony to operate a math lab if a child under the age of 18 is present within the immediate facility.

The bill died in the House Judiciary Committee.

\* **Booking Fees** - - The Senate approved legislation that would have provided for a central or regional booking fee and for a booking center plan as part of the Judicial Code.

Currently, there are several state authorized fees that may be imposed as the result of a criminal conviction. **Senate Bill 1140** would have established a central or regional booking fee, following the adoption of a countywide Booking Center Plan. In addition to any other fines, penalties, costs or fees authorized by law, a person would have been required by the court to pay a central or regional booking fee of no more than \$200.

The bill died in the House Judiciary Committee.

\*\*\* **Funeral Demonstrations Ban** - - The Senate unanimously approved **Senate Bill 1150**, banning demonstrators from being within 500 feet of a funeral or commemorative service within one hour before, during or after the service.

Offenders are now subject to a third-degree misdemeanor (maximum of one year in jail and fine of up to \$2,500). The bill was prompted by the trend of anti-gay rights protesters showing up at soldiers' funerals.

The bill was signed into law as **Act 63 of 2006**.

\* **Document Filing in Office of the Recorder of Deeds** - - The Senate unanimously approved **Senate Bill 1153**, which would have required that documents filed in the Office of the Recorder of Deeds be both recorded and indexed properly in order to provide constructive notice to a potential purchaser of the property.

The bill was in response to a state Supreme Court ruling that a property buyer had constructive notice of a properly recorded mortgage even though the mortgage was defectively indexed. The bill also would have

provided protection from liability for the recording officer or government body for any mistake, error or inaccuracy in any index.

The bill died in the House.

\*\*\* **Workers Comp Interception and Child Support** - - The Senate unanimously approved **Senate Bill 1205**, which amends the Domestic Relations Code to enable insurers to intercept personal injury or Workers' Compensation awards of \$2,500 or more if the claimant is behind on his or her child support payments.

The bill was signed into law as **Act 109 of 2006**.

## **LABOR & INDUSTRY**

\*\*\* **Minimum Wage** -- After years of effort, Senate Democrats managed to push a plan that increased the state's minimum wage. **Senate Bill 1090**, passed 38-11, will eventually bring Pennsylvania's minimum wage to \$7.15 an hour. However, the measure gives smaller businesses (fewer than 10 employees) more time to raise their minimum wage.

Employees of companies with more than 10 full-time workers will see a minimum wage increase to \$6.25 on January 1, 2007 and to \$7.15 on July 1, 2007.

The bill was enacted as **Act 112 of 2006**.

\*\*\* **Children of Fatally Injured Workers** -- The Senate unanimously passed **House Bill 30**, setting up payment plans for children of fatally injured workers if the children are living with different guardians. Under the law, if there is no surviving widow, compensation would be divided equally among all children, if they are with different guardians.

If there is a surviving widow, compensation would be divided as follows:

If there is a widow/widower who is guardian of all the deceased's children –

- One child – 60 percent of the deceased's wages
- Two or more children – 66
- 2/3 percent of the deceased's wages

If there is a widow/widower who is not the guardian of all the deceased's children

- One child – 60 percent of the deceased's wages, to be divided between the widow/widower and the child
- Two or more children – 66 2/3 percent of the deceased's wages, to be distributed with 33 1/3 percent to the widow/widower and the remainder divided among the children.

The bill was signed into law as **Act 68 of 2006**.

\*\*\* **Death Benefits for Emergency Responders** -- The Senate unanimously passed **House Bill 2627**, making minor working changes to a previous law that boosted death benefits for emergency responders. The change clarifies retroactivity of the law. The bill was signed into law on July 7 as **Act 89 of 2006**.

\*\*\* **Enforcement Officer Benefits Law** -- County sheriffs and deputies would be eligible for benefits under the Enforcement Officer Benefits Law under **Senate Bill 243**, to which the Senate unanimously concurred in House amendments. Currently, state police, liquor enforcement officers, Capitol police and other state law enforcement officers are eligible. The Governor signed into law as **Act 95 of 2006**.

\*\*\* **"Agriculture Building"** -- The Senate unanimously passed **House Bill 881**, streamlining the inspection process for new homes and renovation work and making changes in the definition for "agricultural building."

However, provisions that would have forced local municipalities to issue occupancy permits within five days of a request were dropped before the final vote. It is expected that the permit process will be addressed in a future session.

The bill was signed into law as **Act 157 of 2006**.

\*\*\* **Worker's Compensation Act** -- The Senate voted unanimously in favor of **House Bill 2738**. This Act amends the Workers' Compensation Act to provide resolution hearings; require workers' compensation judges to set a mandatory trial schedule; require mandatory mediation; reform the Workers' Compensation Appeal Board; and establish an Uninsured Employers Guaranty Fund to provide benefits to injured workers whose employers did not carry required coverage.

The minimum benefit payment is \$100 a week for people who were injured before August 31, 1998.

Judges at the first hearing set a mandatory trial schedule, which includes specific deadlines for presenting evidence and dates for future hearings that are strictly enforced. Every trial schedule must include a specific date and time for a mediation conference, no later than 30 days before the due date for filing proposed findings. The Office of Adjudication (within the Department of Labor and Industry) has to have a resolution hearing to hear agreements made by the parties. A decision must be made within five business days. The Workers' Compensation Appeal Board sits in to hear appeals.

They decide the outcome with a majority vote. The Uninsured Employers Guaranty Fund is set up to pay any plaintiff, or their dependents benefits.

The Governor signed the bill into law as **Act 147 of 2006**.

\*\*\* **Residential Coal-Fired Boilers** -- The Senate unanimously approved **Senate Bill 1179**, exempting residential coal-fired boilers from Uniform Construction Code requirements. The bill was signed into law as **Act 108 of 2006**.

\*\*\* **Cosmetology Law** -- The Senate unanimously approved **Senate Bill 707**, which amends the Cosmetology Law. The amendment creates four limited licenses, all of which require a set amount of hours and a passing grade on an exam. The four levels are Esthetician, Hair Technician, Nail Technician, and Natural Hair Stylist. This bill was signed into law as **Act 99 of 2006**.

\*\*\* **Illegal Immigrants** -- The Senate unanimously approved legislation that bans the use of illegal immigrant labor on state-funded projects.

Under **House Bill 2319**, also known as the "Prohibition of Illegal Immigrant Alien Labor on Assisted Projects Act, grant recipients found to have knowingly employed illegal workers are required to repay the grant in full. A loan recipient would be required to pay the difference between the interest rate given and 6 percent. In addition, violators are ineligible to apply for any state grant or loan for two years.

This bill was introduced in response to a November 2005 raid by state police and federal agents at a Wal-Mart warehouse construction site in the Schuylkill Economic Development Corp.'s Highridge on 81 Business Park. More than 100 workers were detained on suspicion of being illegal immigrants, and 22 arrests were made.

The bill was signed into law as **Act 43 of 2006**.

\* **Occupational Disease Act** -- The Senate unanimously passed **Senate Bill 733**, which would have increased disability payments to those suffering from chronic diseases caused by workplace conditions. The bill would have amended the Pennsylvania Occupational Disease Act, a part of the workers' compensation system, to deliver the first increase in monthly payments since 1979. Payments to disabled workers would have increased from \$125 a month, to \$150 a month. The bill went to the House where it died in committee.

### **LAW AND JUSTICE COMMITTEE**

\*\*\* **Liquor Licensees** – By a 46-4 vote, the Senate approved **House Bill 111**, an omnibus measure clarifying the operational hours of beer distributors and protecting licensees from sanctions over illegal drug activity that occurred in their establishment without their knowledge. The bill also enables the Liquor Control Board to consider proximity to locations like churches, schools, and hospitals in refusing a licensee's requested secondary service area (different location for serving alcohol on the same tract of land) application.

The bill was enacted as **Act 1 of 2006**.

\*\*\* **Liquor Code/ Casino Alcohol** - - The Senate voted 27-22 in favor of **House Bill 446**, making several changes to the state Liquor Code.

The most controversial provision allowed Pennsylvania's newly launched casinos to provide alcohol free of charge to any person actively playing a slot machine.

House Bill 446 fixed a problem with Philadelphia's existing system of issuing takeout beer permits, which had been awarded by City Council. This legislation created a separate hearing board under Philadelphia's Department of Licenses and Inspection to review and approve licenses that are seeking a permit to sell malt or brewed beverages for consumption off-location.

The bill also allowed the Liquor Control Board to extend the period of time a license may be held in safekeeping. The board can hold the license for three consecutive years but are now able to hold it for one additional year upon written request and payment of \$5,000 or \$2,500 depending on which class of city the license falls in. Once that year is up, additional years could be added on with the same process.

Additionally, this bill granted a special occasion permit license for a county tourist promotion agency in State College; extend the point system in Philadelphia, where points are assessed against a license for certain Liquor Code violations, for an additional six months, to expire on June 30, 2007; and eliminated a requirement that municipalities show an adverse effect on the health, welfare, peace and morals of the municipality when rejecting a license transfer or an economic development license.

This legislation removed the 30 percent food and non-alcoholic beverage sales requirement for a Sunday sales permit in Philadelphia and allowed Philadelphia to transfer a liquor license to qualified, mixed-use town center developments located in Pennsylvania's urban and suburban counties when it is determined that licenses are not available in that county at a reasonable market price.

The law was signed into law as **Act 155 of 2006**.

\*\*\* **Campus Police Firearms** - - The Senate passed **House Bill 509** unanimously. The bill amended the Public School Code to have the schools' governing body determine if campus police officers who have completed firearms training will be allowed to carry a firearm in the course of duty.

The bill was signed into law as **Act 73 of 2006**.

\*\*\* **Crawford/Erie "State Police" Disbanded** – The Senate unanimously approved **House Bill 1178**, which disbanded the 220-member volunteer state police agency of Crawford and Erie counties.

The bill, signed into law as **Act 8 of 2005**, repealed the outdated Act 1109 of 1873, which established the police agency "for the recovery of stolen horses and other property, and for the detection of thieves in Crawford and Erie Counties." The original act gave arrest powers to the volunteer police unit and placed the group under the jurisdiction of the governor and state attorney general. However, the organization has operated independently since its charter.

In recent years, the Crawford/Erie state police unit handled lesser police functions such as traffic and crowd control at community events. Through the formation of a police auxiliary association with a local police department, the group's volunteers will still be able to serve in this capacity.

This bill was prompted by complaints from Pennsylvania's 3,900-member State Police force, which was concerned by the group's lack of formal training, as well as accountability issues.

\*\*\* **Liquor License for Old Country Hotel License Holders** - - By a unanimous vote, the Senate approved **House Bill 1525**, which amended the Liquor Code to allow old country hotel licensees that were granted their liquor license prior to September 1, 1949 to no longer maintain bedrooms for public accommodations. While these rooms could not be used to serve drinks in, they could be used for storage.

The bill was signed into law as **Act 15 of 2006**.

\*\*\* **Alcohol Vaporizing Devices** - - The Senate voted unanimously in favor of **House Bill 2376**, which amended the Liquor Code and prohibited the sale or purchase of alcohol vaporizing devices. An alcohol-vaporizing device is similar to an inhaler used for asthma patients but it vaporizes alcohol into a spray and mixes it with oxygen.

The measure also stated that wine can be produced by any person without a license if the wine is not produced for sale and total production does not exceed two hundred gallons per calendar year.

The bill was signed into law as **Act 84 of 2006**.

\*\*\* **College Underage Drinking Reports** - - The Senate unanimously approved **House Bill 2383** to require the Bureau of Alcohol Education to make reports to the General Assembly biennially concerning underage drinking in college and what can be done to detract it.

The bill also granted the opportunity for establishments within a dry municipality to receive a special occasion permit that would allow the sale of alcohol. This bill also changed the definitions of public hearing and public notice when relating to the Liquor Code.

This bill was signed into law as **Act 85 of 2006**.

\*\*\* **Sunday Beer Sales** - - Beer distributors can be open on Sundays from noon to 5 p.m. following approval of **Senate Bill 462**.

The amended measure, approved in the Senate by a 39 to 11 vote, required distributors to purchase a \$100 annual Sunday sales permit.

For tavern owners, the bill removed the 30 percent food and non-alcoholic beverage sales requirement for a Sunday sales permit everywhere except in Philadelphia. The bill also increased the wholesale discount for retail licensees from 7 to 10 percent.

The bill was enacted as **Act 39 of 2005**.

\*\*\* **Responsible Alcohol Management Program training** - - The Senate unanimously approved **Senate Bill 969**, which mandated Responsible Alcohol Management Program (RAMP) training along with other penalties for bar owners who have been convicted of selling alcohol to minors or visibly intoxicated persons.

Previously, administrative law judges had the option of requiring the training.

The bill was signed into law as **Act 26 of 2006**.

\* **Statewide College Alcohol Reports** - - The Senate unanimously supported **Senate Bill 1062**, which would have required the Liquor Control Board's Bureau of Alcohol Education to prepare a report every two years on statewide alcohol use and high-risk drinking at colleges.

The report would also have been required to specify current and prospective programs aimed at discouraging underage and binge drinking.

The bill was never acted on in the House.

\* **National Guard and Reserves Firearm Certification Extension** - - The Senate passed **Senate Bill 1200** by a vote of 47-0. The measure would have granted National Guard and military reserves an extension on their firearm certification if their license expires while they are deployed overseas.

Currently, Act 235, also known as the Lethal Weapons Training Act, requires training and certification of private agents who use firearms for employment. Military personnel can run into problems when they are deployed overseas and their certification expires while on active duty. Under the Democrat-sponsored Senate Bill 1200, such National Guard and military reserves would have been granted a 90-day extension period before their license expires.

The bill is now in the House.

\* **Pennsylvania State Police Retirement** - - The Senate unanimously passed **Senate Bill 1207**, which would have changed all references of "State Police Force" to "Pennsylvania State Police" and would have changed "men" to "enlisted members".



The bill would also have corrected the complement cap of the State Police from 3,940 to 4,310 members, which was already established by the General Assembly in Act 100 of 2001 (the Delaware River Toll Bridge Commission, Gaming Enforcement and Liquor Control Enforcement are not counted in determining the total for the State Police).

Currently, State Police officers are required to retire at the age of sixty. This bill would have allowed troopers to continue working once they reach 60 if they do not have 20 years of service. Upon completing 20 years of service, they would then have had to retire.

The bill died in the House.

## LEGISLATION

*The Committee on Legislation was formed following Gov. Ed Rendell's September, 15, 2005, proclamation calling for a Special Legislative Session on Property Tax Relief. The Special Session convened on September 28, 2005.*

**\* \* \* Property Tax Relief** -- In a bipartisan vote, the Senate voted 40-9 in favor of **Special Session House Bill 39**, a bill that is expected to deliver property tax relief to all Pennsylvanians without raising any state taxes. It is estimated that the measure will provide the average Pennsylvania homeowner with a 36 percent cut in their property taxes.

The compromise plan will also more than double the size of the Property Tax & Rent Rebate Program and make 420,000 new seniors eligible for relief. Once implemented, the proposal will enable more than 750,000 seniors to be eligible for larger property tax and rebate assistance.

The bill also puts taxpayers in control by letting voters decide if they want to garner additional property tax relief by shifting some of the local school tax burden to the earned income tax. The legislation also features reasonable school district spending controls.

The bill was signed into law as **Special Session Act 1 of 2006**.

**\* Property Tax Relief** – By a 48-2 vote, the Senate approved the bipartisan **Special Session Senate Bill 30** that would have provided significant homeowner property tax relief across Pennsylvania and makes senior citizens a top priority.

Many of the provisions of the bill were eventually incorporated into Special Session House Bill 39

The amended Special Session Senate Bill 30 would have given school district officials the flexibility to choose a tax reform plan that works best for homeowners in each school district. The plan would have required no new or increased state taxes.

The plan would have expanded the Property Tax Rent Rebate Program, increasing the income eligibility limit from \$15,000 to \$25,000. Homeowners in all school districts except Philadelphia would have received property tax cuts funded by gaming revenue. Philadelphians would have seen a wage-tax cut.

Voters in each school district except Philadelphia, Pittsburgh, and Scranton would have had the opportunity in May of 2006 to approve shifting a portion of the property tax to an earned income tax (EIT). School boards would have determined the level of the shift, with a minimum of 35 percent of the Homestead Exclusion. The average tax cut under the minimum EIT shift and at \$1 billion in gaming revenue, was projected at 43 percent statewide.

While the measure would have repealed Act 72 of 2004, the plan would have retained the important spending control measures that were contained in the act. In addition, school districts that imposed an increase in the EIT under Act 72 would have been prohibited from collecting the tax.

The bill was defeated in the House, 146 to 42.

### **LOCAL GOVERNMENT COMMITTEE**

\*\*\* **Fee Simple Real Property** - - The Senate unanimously passed **House Bill 87**, eliminating the requirement that all real property acquired in "fee simple" by a local government unit (county or municipality) be offered for resale within two years of the date of acquisition. 'Fee simple' is defined as absolute title to land, free of any other claims against the title, which one can sell or pass to another by will or inheritance.

Also, the bill permitted the governing body of a county, municipality or school district to exempt real property from further millage increases.

The bill was signed into law as **Act 4 of 2006**.

\*\*\* **Funds to Nonprofit Watershed Associations from Townships** – The Senate unanimously passed **House Bill 136**, which amended the Second Class Township Code to allow the board of supervisors to provide

funds to nonprofit watershed associations for watersheds serving the township. The funds cannot be used to undertake litigation against any municipal corporation or to seek redress against any individual landowner. The amended bill was enacted as **Act 11 of 2005**.

\*\*\* **Usage of Tax Levy Fees** - - The Senate unanimously approved **House Bill 183**, which amended Act 442 of 1967, further providing for local taxing options and land trusts.

Previous law provided for an additional earned income tax levy if approved by a referendum process within the local government. The amendments allowed revenue from the tax levy to be used for fees including but not limited to costs of appraisals, legal services, title searches, document preparation title insurance, closing fees and survey costs.

The bill also added a new section on land trusts. It states that if a local government body decides that it is for public benefit, it may provide money to a land trust for the acquisition or preservation of interests in real property for open space purposes, or it may transfer open space property interests to a land trust.

A local government now has the power to incorporate a local land trust as a domestic nonprofit corporation.

The bill was signed into law as **Act 154 of 2006**.

\*\*\* **Funds to Nonprofit Watershed Associations from Boroughs** – The Senate unanimously passed **House Bill 266**. The bill amended the Borough Code to allow a borough to provide funds to nonprofit watershed associations for watersheds serving the borough. Those funds cannot be used for litigation against any municipal corporation or to seek redress against individual landowners. The bill was enacted as **Act 13 of 2005**.

\*\*\* **Townships and Nonprofit Watershed Associations** – By unanimous vote, the Senate approved **House Bill 267**, which amended the First Class Township Code to allow the commissioners to provide funds to nonprofit watershed associations for watersheds serving the township. The funds cannot be used to file suit against any municipal corporation or to seek redress against landowners. The amended bill was enacted as **Act 14 of 2005**.

\*\*\* **Water Services Act** - - The Senate unanimously approved **House Bill 893**, which removed the provisions of Title 66 (Public Utilities Code) and established this as a freestanding act known as the Water Services Act.

The bill requires Public Utility Commission and local approval for terminations or transfers by municipal authorities. Provisions of the bill apply only to the City of Lebanon (Third Class cities that have adopted a home rule charter and have a population of no more than 30,000).

The bill was signed into law as **Act 28 of 2006**.

\*\*\* **County Special Counsel Appointments** - - The Senate voted unanimously in favor of **House Bill 2003**. This bill removed the requirement that county commissioners get the approval of the court of common pleas when appointing special counsel. The bill was signed into law as **Act 158 of 2006**.

\*\*\* **County Comptroller Financial Report Extension** -- The Senate approved **House Bill 2185** with a vote of 44-4. The bill amended The County Code by extending the time that a county controller has to submit its annual financial reports to the Department of Community and Economic Development from April 1 to July 1.

It also changed the month that a county controller has to make a report of the receipts and expenditures as well as a full statement of the financial condition of the county that has been verified by oath or affirmation to the Court of Common Pleas from April 1 to July 1.

The bill was signed into law as **Act 142 of 2006**.

\* **County Comptroller Financial Report Extension** - - The Senate approved **House Bill 2186** with a vote of 48-2. The measure would have amended the Second Class County Code by extending the time that a county controller has to submit its annual financial reports to the Department of Community and Economic Development from May to July.

It would also have changed the month that a county controller has to make a report of the receipts and expenditures as well as a full statement of the financial condition of the county that has been verified by oath or affirmation to the court of common pleas from the first Monday in May to the first Monday in July.

The measure died in the House.

\*\*\* **Electronic Bidding by Local Government Units** - - The Senate unanimously passed **House Bill 2441**, which amended the Procurement Code to create a chapter entitled Electronic Bidding by Local Government Units. This chapter now allows local governments to receive electronic bids for contracts for supplies and services as long as they can ensure confidentiality of bids during the bidding process. The bill was signed into law as **Act 88 of 2006**.

**V Taxicab Affirmative Action** - - The Senate voted 45-4 in favor of **House Bill 2545**, which would have amended Title 53 (Municipalities Generally). This bill would have developed and implemented an affirmative action plan when referring to taxicab and limousine services to ensure equality when hiring.

The measure would also have also given taxicabs and limousine services outside of Philadelphia the opportunity to service that city without being subject to any regulatory requirements of that particular city.

The Governor vetoed this bill. He said the bill was full of provisions that were confusing and would not serve the interests of the Parking Authority or the citizens. He said one of the most troubling aspects of the bill was the provision that would have allowed the Philadelphia Parking Authority to depart from the standard administrative law practice of setting forth clear and understandable reasons why a particular decision, following a hearing to contest the Authority's action with respect to the rights or obligations of a taxicab or limousine owner, was made.

\* **Municipal Police Officers Warrant Fee** - - The Senate unanimously passed **Senate Bill 214**. The measure would allow for a \$35 fee to be charged when a municipal police officer carries out one or more warrants or sets up the payment of fines. The bill died in the House.

\*\*\* **Retirees and Pensions While Holding Elected Office** – By unanimous vote, the Senate passed **Senate Bill 457**, which changes the Third Class City Code regarding retirement funds. The measure allows for retirees of third-class cities to receive a pension while holding elected office, provided that they do not accept a salary for the office that they hold. If a retiree does accept a salary, he or she will not receive a pension for every month during which this salary is accepted. The bill also ensures the right of a beneficiary to hold elected office. The bill was enacted as **Act 28 of 2005**.

\*\*\* **Office of Assessors Removal** - - The Senate unanimously passed **Senate Bill 513**, which removed the office of assessors from the Second Class Township Code. Elected assessors in these townships would serve the remainder of their unexpired term. After that, no assessors would be appointed nor elected. This was a companion bill to Senate Bill 514. The bill was signed into law as **Act 166 of 2006**.

\*\*\* **Office of Elected Assessors Removal** - - The Senate unanimously passed **Senate Bill 514**, which eliminated the office of elected assessor in townships of the second class from the Fourth to Eighth Class Counties Assessment Law. The bill was signed into law as **Act 167 of 2006**.

\*\*\* **Full Time District Attorneys** – By a 49-1 vote, the Senate approved **Senate Bill 565**, which makes the position of district attorney full time in third- through seventh-class counties. Eighth-class counties will have the option of making the post full time.

Under the bill, candidates must be county residents at least one year prior to the election. The measure will also increase the minimum age from 18 to 25 and require that the district attorney be admitted to the Pennsylvania Supreme Court Bar for at least one year prior to taking office.

In addition, district attorney candidates will not be permitted to receive supplementary income, in the form of honorariums, profit shares, or divisions of income from prior law firm associations. A part-time district attorney is permitted to operate an outside practice, under Pennsylvania law.

Only 27 of Pennsylvania's 67 district attorneys had been classified as full time. The bill was enacted as **Act 57 of 2005**.

\*\*\* **Township Auditor and Supervisor Compensation** - - The Senate unanimously passed **Senate Bill 809**, which amended the Second Class Township Code. This bill increased the number of hours an auditor can be compensated for while attending a conference, institute, school or convention dealing with the duties of their employment.

The bill also allowed township supervisors to be compensated when they're required in court, attend a county supervisor association meeting or a State Association of Township Supervisors.

The bill was signed into law as **Act 101 of 2006**.

\* **Uniform Budget Forms** - - With a unanimous vote, the Senate passed **Senate Bill 810**. The move would have eliminated from the Administrative Code the requirement that the state Department of Community and Economic Development annually provide uniform budget forms to municipalities, and for those municipalities in turn to file those budget forms with the department. The measure died in the House.

\* **Political Subdivision Assistance in Declared Emergencies** - - The Senate unanimously passed **Senate Bill 928**. The bill would add a section to Title 35 (Health and Safety) of the Pennsylvania Consolidated Statutes to authorize political subdivisions to give, grant or lend services, manpower, materials, supplies, equipment, facilities and funds to another municipality or county within Pennsylvania or within the United States in which a declaration of a disaster emergency has been issued. The bill died in the House.

\*\*\* **Online Township Property Sales** - - The Senate unanimously passed **Senate Bill 986**, which amended Section 1504 (Personal Property) of the Second Class Township Code by allowing townships to sell township property through an online or electronic auction. The bill was enacted as **Act 49 of 2006**.

\*\*\* **Township Officials Reimbursement Increase** - - The Senate approved **Senate Bill 1114** with a unanimous vote. The measure increased the amount that a second-class township official may receive as reimbursement for their attendance at a county association's annual or semi-annual meeting. This measure was signed into law as **Act 106 of 2006**.

\*\*\* **Residential Visitability Design Tax Credit Act** - - The Senate unanimously approved **Senate Bill 1158**. The measure created the Residential Visitability Design Tax Credit Act. It enables local taxing jurisdictions

to offer up to \$2,500 in tax credits over a five-year period on the increase in property taxes that is associated with the increase in value related to the addition of visitable design features in new and renovated homes.

Visitability features that qualify for the tax credit include entrances with no steps, wider paths to the house, and light switches that are 48 inches from the ground to provide for individuals to reach more easily.

This bill was signed into law as **Act 132 of 2006**.

### **PUBLIC HEALTH AND WELFARE**

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\*\*\* **CHIP Expansion** -- The Senate improved the state's efforts to provide quality healthcare to the children of Pennsylvania by approving the CHIP (Children's Health Insurance Program) expansion.

**House Bill 2699**, which passed in the Senate unanimously, amends the Insurance Company Law by expanding the state's subsidized children's health insurance program (CHIP).

Except for children two years of age or younger, the bill requires applicants to be uninsured for a period of at least six consecutive months prior to enrollment. The subsidized program is capped at 300 percent of the federal poverty level. Families above 300 percent of the federal poverty level can purchase coverage at the per member per month cost only as a payer of last resort.

In addition, the bill requires a study by the Legislative Budget and Finance Committee of the Medical Assistance Managed Care program.

Prior to final passage, Senate Democrats attempted to make CHIP available for even more children, but were turned back in a party line vote.

The bill was enacted as **Act 136 of 2006**.

\*\*\* **Medicaid Eligibility Requirements** -- The Senate voted 43-7 to approve new Medicaid eligibility and reimbursement guidelines.

Gov. Rendell had predicted a \$400 million deficit for Medicaid this year and proposed a variety of benefit cuts (many of which have been adopted in other states), but refused to drop anyone from the Medicaid rolls.

Through the budget negotiation process, many of the austerity measures proposed by the governor were scaled back significantly.

Under **House Bill 1168**, there are no limits on prescription drugs, ambulatory surgical center visits, or inpatient hospital stays for Medicaid recipients.

However, the new Medicaid rules institute limits on outpatient psychiatric services and stays at private mental hospitals. The new guidelines also require parents of children with disabilities whose household income exceeds 200 percent of the poverty line to pay a premium for Medicaid services. Also, the Department of Public Welfare must conduct eligibility reassessments every six months for many Medicaid recipients.

The governor signed the bill into law as **Act 42 of 2005**.

**V Transfers Between Appropriations of State Funds** -- The Senate passed **House Bill 471** with a unanimous vote. The measure would have amended the Administrative Code to authorize transfers between appropriations of state funds and spells out how such transfers are to be made with regard to public notice of such transfers.

The bill would also have extended the time period, until June 30, 2007, for the acceptance and consideration of Merchant Marine World War II Veteran Bonus Act applications by the Adjutant General of the Department of Military and Veterans Affairs.

The bill would have required the Department of Transportation to maintain a daily log of all travel on state-owned planes.

The bill would also have established the Cardiovascular Disease Advisory Committee and a statewide stroke database.

Pointing to the inter-fund transfer provisions, the governor vetoed (**Veto 13 of 2006**) the bill. He said, "The Executive Branch is charged with the day-to-day operation of state government. To carry out that charge effectively, and to do so in a timely manner, it is from time to time necessary to transfer appropriated funds between agencies so long as the original purpose of the appropriation is adhered to. Losing that flexibility could result in the delay or denial of the delivery of services to our citizens.

**\*\*\* Insurance Department Fees** -- The Senate unanimously approved **House Bill 801**, which amends the Administrative Code to authorize the Insurance Department to charge fees for insurance companies, associations or exchanges based on a per thousand dollar value with a \$15.00 dollar minimum charge.



It also directs the Department of Health to establish a Cervical Cancer Task Force to evaluate and make recommendations for education and prevention of cervical cancer.

The bill was signed into law as **Act 74 of 2006**.

\*\*\* **Medicare and Rural Hospitals** -- The Senate voted unanimously to approve **House Bill 1589**, which expands the definition of "rural hospitals" that are eligible to receive Medicare inpatient hospital service payments. The bill was signed into law as **Act 22 of 2005**.

\*\*\* **Regulation of Abortion Facilities** -- The Senate voted 41-8 to approve legislation expanding state regulation of facilities that perform abortions.

**House Bill 1591** requires the Patient Safety Authority to oversee facilities that perform 100 or more abortion procedures annually. In 2002, the General Assembly created the authority in response to the state's medical malpractice crisis to gather data on errors at hospitals, birthing centers, and ambulatory surgical centers. The authority is funded through assessments made on these facilities.

Facilities potentially impacted by this legislation opposed the bill, claiming they were already regulated by the Department of Health under the Abortion Control Act.

The bill was enacted as **Act 30 of 2006**.

\*\*\* **Cancer Screening for Uninsured Women** -- The Senate voted unanimously for **House Bill 1606**, which establishes the Pennsylvania Breast and Cervical Cancer Early Screening Act. The measure expands free breast and cervical cancer screening services to low-income underinsured and uninsured women who are in their 40s. The governor signed the bill as **Act 74 of 2005**.

**V Mental Health and Mental Retardation Programs** -- The Senate passed **House Bill 1813** by a vote of 46-3. The bill would have directed the Secretary of Budget to include in the budget submission to the General Assembly for community mental health, community mental retardation, and early intervention services programs in the Department of Welfare an amount necessary to fund existing community-based mental health and mental retardation programs.

Pointing to unbudgeted costs, the Governor said he vetoed this bill (**Veto 7 of 2006**) because, "without regard for fluctuations in state revenues or growth in other, mandated obligations, the legislation establishes an annual increase in the obligation of state funds for reimbursement to mental health and mental retardation providers. Enactment of this bill will increase state expenditures by \$75 million in the first year and cumulatively by \$1.2 billion over five years. None of this funding is included in our current budget projections."

**V Home Infusion Therapy** -- The Senate unanimously passed **House Bill 2202**, which would have amend the Public Welfare Code, providing for home infusion therapy to be available to all eligible recipients and adding a definition of "home infusion therapy."

This bill would have clarified the purpose of "home infusion therapy" which is the preparation of parenteral pharmaceuticals provided in a patient's home or outpatient setting. This therapy also involves clinical pharmacy monitoring as well as clinical nursing for the administration, teaching and oversight of the patient's prescribed parenteral therapy. The department would have ensured that this therapy be a required benefit and available to all eligible recipients.

Medical assistance payments would have been be made on behalf of persons eligible for prescription drug coverage and who have a valid prescription for home infusion therapy.

The bill was vetoed (**Veto 10 of 2006**). The Governor said, "Pennsylvania already pays for home infusion therapy for over 52,000 Commonwealth residents. With respect to those Medicaid recipients who are covered in the fee-for-service system, this bill would require the Commonwealth to absorb the cost of a new service offered by pharmacies regardless of whether the pharmacy service is medically appropriate or necessary. There is also the potential that as drafted this bill will result in cost shifting from the federal government to the Commonwealth for the home infusion services provided to those individuals known as "dual eligibles."

\* **Protection of Angioplasty Units** -- The State Senate unanimously approved **House Bill 2443**, which would have protected angioplasty units from being idled at 11 smaller community hospitals throughout Pennsylvania.

The state Department of Health had wanted to mandate that the cardiac care units comply with a Maryland-based randomized clinical trial. Bill supporters called the department's new rules lengthy, cumbersome and an unreasonable threat to the viability of those cardiac care units.

The legislation would have enabled the angioplasty units to continue offering the procedure by meeting strict selection, safety and consent criteria. Furthermore, the legislation would have set forth additional safety criteria for lower-volume hospitals to continue offering the life-saving procedure.

Supporters of the bill also said the success of angioplasty in the 11 community hospitals was demonstrated by the fact that their mortality rate is lower than both the state and national averages.

The bill died in the House.

\*\*\* **Testing Glomerular Filtration Rate** -- The Senate unanimously passed **House Bill 2639**. The measure amends the 1951 "Clinical Laboratory Act," which regulates licensed clinical laboratories concerning the testing of a patient's estimated glomerular filtration rate and requirements.

Under the bill, when a Pennsylvania laboratory tests a specimen to determine the serum creatinine level for a patient 18 or older, the director must calculate the patient's estimated glomerular filtration rate at no additional cost and provide this information with its report to the health care professionals.

The bill was signed as **Act 144 of 2006**.

\* **Moratorium on State Hospital Closings** – In response to the Department of Public Welfare's 2005 decision to close the Harrisburg State Hospital, the Senate voted 26-19 to approve **Senate Bill 229**, the Mental Health Facility Closure Moratorium Act.

The bill would have imposed a moratorium on the closure of mental health and retardation facilities and required a Legislative Budget and Finance Committee report on the issue.

Senate Democrats stood by the Rendell Administration and expressed their confidence in Secretary of Public Welfare Estelle Richman. Such groups as NAMI Pennsylvania, an advocacy group for the mentally ill, and The Arc, a group supporting those with mental retardation, endorsed the closing of Harrisburg State Hospital.

Since the Supreme Court's 1999 ruling in *Olmsted v. L.C.*, the courts have held that states are required to provide community-based care, rather than institutionalization, for most persons with disabilities. Since 1979, a dozen state hospitals have closed.

The legislation was never voted on in the House.

\* **Long-Term Care Patient Prescriptions** -- The Senate passed **Senate Bill 808** with a unanimous vote. The bill would have provided for long-term care patient access to pharmaceuticals and grant powers and duties on the State Board of Pharmacy.

The purpose of this legislation was that patients, who have the ability to acquire lower cost drugs through the Veterans' Administration, would have had access to those drugs if they reside in a long-term care facility. A pharmacy within the long-term care facility would have received the lower cost drugs and repackage and re-label those drugs so they may be dispensed in unit doses to patients.

The bill died in the House.

\*\*\* **Extension of Cancer Prevention Legislation** – The Senate voted unanimously to approve **Senate Bill 925**, which extends the Pennsylvania Cancer Control, Prevention and Research Act until June 30, 2016. The bill was signed as **Act 33 of 2006**.

\* **Medical Safety Automation Program** -- The Senate unanimously passed **Senate Bill 934**. The bill would have established the “Medical Safety Automation Account” and provided grants to implement medical safety automation systems.

The medical safety automation program would have provided grants to health care providers or to regional health information organizations to implement medical safety automation systems.

The bill died in the House.

**V Medicaid Reimbursement Rates for Nursing Homes** -- The Senate voted 43-6 to approve **Senate Bill 997**, which would have made it more difficult for the state Department of Public Welfare to adjust Medicaid payments to nursing homes. As part of the 2005-06 budget agreement, the department was permitted to change its Medicaid reimbursement rates for nursing homes without going through procedures outlined in the Regulatory Review Act. This bill would have undone that change.

According to the department officials, this bill would add approximately \$103 million in Medicaid spending to the 2006-07 budget. The cost of Medicaid has traditionally been split with the federal government. However, the Bush administration has been cutting appropriations and shifting Medicaid’s financial burden onto the states. For example, the Deficit Reduction Act of 2005 reduced federal Medicaid spending by \$11.5 billion over the next five years, and the 2006-07 Bush budget proposed cutting an additional \$14 billion over the next five years.

Medicaid is the primary payer for about 70 percent of nursing home patients in Pennsylvania. According to the Pennsylvania Health Care Association, nursing home costs were expected to grow by around 8 percent in 2006, but the Rendell budget proposal only increased state funding for nursing homes by 4 percent.

The bill was vetoed as **Veto 4 of 2006**. The Governor stated in his veto message that he had committed to a “pay as you go” budget process and would not sign legislation that either significantly increases spending or reduces revenue without a specific plan to pay for it. In addition, he said the bill places at risk up to \$290 million in supplemental Medicaid contributions from the County Intergovernmental Transfer (IGT), which is used to provide an array of services for seniors.

\* **Prohibition of Controlled Substances** -- The Senate unanimously passed **Senate Bill 1116**. The measure would have amended the "Controlled Substance, Drug, Device and Cosmetic Act" by adding clauses stating the sale at retail of any product containing ephedrine, pseudoephedrine, phenylpropanolamine, or any of their salts, optical isomers or salts of optical isomers is prohibited. This bill was never acted on in the House.

\* **Methamphetamines** -- The Senate unanimously approved **Senate Bill 1121**, which would have provided for a program to address the illicit manufacture of methamphetamines in underground laboratories. This act would have been known as the "Meth Watch Program Act." The House never acted on the bill.

### **RULES & EXECUTIVE NOMINATIONS**

\* \* \* **Data Processing Committee** -- The Senate unanimously approved **House Bill 398**, which added the state House Parliamentarian, and removed the House Chief Clerk, as a nonvoting member of the Legislative Data Processing Committee. The committee was originally formed in 1968. The bill was signed into law as **Act 17 of 2005**.

\* \* \* **Pay Raise Repeal** -- By a unanimous vote, the Senate approved **House Bill 1956**, which repealed the controversial pay raises enacted during the summer of 2005 for executive branch officials, judges, and legislators.

The measure was largely a mirror image of the Senate Democratic-sponsored pay raise repeal amendment that was contained in House Bill 1539. However, in that legislation, the House and Senate could not agree on severability issues.

The governor signed the bill into law as **Act 72 of 2005**.

### **STATE GOVERNMENT**

\*\*\* **Lobbying Ethics** - The Senate voted unanimously in favor of **House Bill 700**, which sets new ethical standards for lobbyists. Any gift of \$250 or more has to be reported. Meals, lodging, transportation, recreation and entertainment adding up to more than \$650 in a year also has to be reported. Every two years lobbyists have to pay a \$100 registration fee.

Lobbyists are not allowed to be involved in any political candidate's committee or try to influence political action. Lobbyists are not allowed to represent two groups with different interests at the same time unless each group says this is okay. Lobbyists who disobey the law could face fines of up to \$2,000 and possibly a five-year ban. Groups who intentionally violate the law could be fined up to \$25,000, and certain violations could be charged as a misdemeanor.

The bill was enacted as **Act 134 of 2006**.

\* **Lobbying Regulation** – The Senate unanimously passed **Senate Bill 1**, which would have strictly regulated the practice of lobbying in Pennsylvania.

The bill, known as the "Lobbying Accountability Act," would have provided for the registration, regulation and disclosure of all lobbying activities, including registering with the Department of State, filing quarterly expense reports with the Department of State, and forbidding lobbyists from switching clients to work the opposite side of the same issue.

The measure would also prohibit lobbyists from simultaneously working for clients whose interests are adverse to one another. The bill was strengthened by a Democratic amendment that included the conflict of interest provision and a list of prohibited acts.

The bill died in the House.

\*\*\* **PA Gaming Law** – The Senate unanimously passed a slew of amendments to Pennsylvania's Gaming Law that would provide stiffer ethical standards aimed at deterring organized crime or political favoritism. Passed unanimously, **Senate Bill 862** establishes a strong ethics code for the state Gaming Control Board and requires members of the board to recuse themselves when they have a conflict of interest.

The bill's ethics code requires establishment of an "interested party" registration list for anyone who appears before the board on behalf of an applicant or licensed entity, prohibits all *ex parte* communications, prohibits accepting gifts from any applicant or licensee, and bans board members from engaging in political activity.

The bill also mandates the recusal of board members who have a conflict of interest. It permits the substitution of an alternate board member under such circumstances. It also makes the following changes:

- Prohibits public official ownership in a casino license

- Establishes a Gaming Enforcement Unit within the state attorney general's office
- Clarifies that the Right to Know Law, the State Adverse Interest Act, the Open Meetings Law, the Commonwealth Attorney's Act, and the Commonwealth Documents Law all apply to the board.

The bill was enacted as **Act 135 of 2006**.

\* **Gaming Code** - The Senate passed **Senate Bill 1230** with a vote of 29-21. The measure would have amended the Gaming Code to delete all provisions relating to "supplier and supplier licenses" and for the law enforcement agency grant. A section would have been added to the legislation for the purpose of establishing in the State Treasury a special fund to be known as the Attorney General and Local District Attorney's Grant Fund. The measure died in the House.

\* **Gaming – Emergency Procurement** – The Senate unanimously passed **Senate Bill 875**, which would have prohibited emergency procurement by the Pennsylvania Gaming Board. The bill died in the House.

\*\*\* **Eminent Domain** – **Senate Bill 881** was unanimously passed by the Senate. This Act limits municipalities from using eminent domain to condemn private property for private enterprise use. Exceptions include the owner's consent, abandoned property and if the property is a public health threat. The measure also provides a more specific definition of what "blight" is. An amendment was approved that would partially exempt areas in Philadelphia, Pittsburgh, Montgomery, Bucks, and Delaware Counties previously certified as blighted.

The bill was enacted as **Act 35 of 2006**.

\*\*\* **Eminent Domain Procedures** - The Senate unanimously passed **House Bill 2054**, which provides limitations on eminent domain and further addresses the use of eminent domain of agricultural property. The act addresses the procedure to condemn. It also addresses the procedure for determining damages. The owner of condemned property is entitled to compensation for the taking, injury or destruction of the condemned's property. It also provides that a property owner whose property is scheduled for condemnation may collect special damages for the loss of rentals

The Act also addresses special damages provisions related to displacement, including, addressing moving and related expenses of displaced persons, replacement housing for homeowners and tenants. It also makes faster appeals in eminent domain proceedings and viewers must assess damages within six years.

The donation of land by political subdivisions will now be subject to eminent domain provisions.

This bill was enacted as **Act 34 of 2006**.

**V Voter Reform Bill** – In what was largely a party-line vote, **House Bill 1318** was approved by the Senate by a 27-20 vote. The bill would have made voters show ID when going to vote. Alternative types of identification such as pay stubs and utility bills would have been allowed so ex-offenders would be able to vote, and allowing polling places to be located in private residences under special circumstances.

Taverns, firehouses, and country clubs that serve liquor would have been allowed to be polling places if they had a separate entrance for voting, and the voting area was housed in a separate room away from where the liquor is located.

Other components of the amended bill would have extended the time period for the receipt of overseas ballots to seven days and, under special circumstances, allowed a polling place to be located in an adjacent precinct.

The Governor vetoed the bill because he said elements of the bill would have caused significant interference with the fundamental right to vote and violate the U. S. and Pennsylvania constitutions. He also said that the government should be doing everything it can to encourage greater participation in the electoral process, not discouraging participation by placing additional limitations on the right to cast a vote.

\*\*\* **Election Code** - With numerous voter identification provisions removed at the insistence of Senate Democrats, **Senate Bill 999** was unanimously approved. This bill now tightens regulations on polling places, absentee voting, posting notices of voters' rights, and improves compensation for election officials. After the House amended the bill, it passed the Senate again, 36-13. Some Democrats still opposed the bill because they claimed it would still make it difficult for citizens and seniors in urban areas to vote.

The bill was enacted as **Act 45 of 2006**.

\*\*\* **Absentee Ballots** - The Senate voted unanimously in favor of **House Bill 469**, which makes changes to the date of application for absentee ballots, and explains contribution limits made by companies. A voter who becomes ill, disabled or has to travel for business after 5 p.m. on the Friday before an election, can hand in an Emergency Application, or other signed document, that includes the same information as an application, to the court of common pleas in their county.



The voter has to appear in court or send a representative to take their place. A judge will then determine if the voter can receive an absentee ballot. Limited Liability Companies who choose to be taxed are allowed to give contributions to public office candidates.

The bill was enacted as **Act 137 of 2006**.

\* **“Juneteenth National Freedom Day”** -- The Senate voted unanimously in favor of **Senate Bill 1297**. This bill would have designated the third Saturday in June as "Juneteenth National Freedom Day." The day would have commemorated the impact of slavery, the abolition movement, and the African-American emancipation in the United States. The House never acted on the bill.

\* **General Services Land Conveyance** – The senate voted unanimously in favor of **Senate Bill 1237** which would have authorized the Department of General Services to grant and convey certain lands in Lackawanna County, Lancaster County, Tioga County, and to lease land in Philadelphia County. This bill was amended in the Senate Rules to eliminate sections regarding the sale of waterfront property in Philadelphia and allow for gaming establishments in certain areas of Philadelphia if the licenses are granted.

The bill died in the House.

\* **Election Board Vacancy’s** - The Senate voted 29-20 in favor of **Senate Bill 1216**. This Act would have set rules for what to do when someone leaves their position on an election board and for election boards in new districts. If a person leaves an election board before the fifth day before any election, the position should be filled by appointment by the county board of elections rather than by the court of the county. The county board of elections would have selected the first election board for any new district. The people elected would have served until the next municipal election when the election officials are elected.

The bill is now in the House.

\* **Administrative Agencies Residency Requirements** - The Senate voted unanimously in favor of **Senate Bill 1110**. This Act would set residency requirements for administrative agencies. Each member of every independent administrative board and commission, every departmental administrative body, board and commission and every advisory board and commission must have been a resident of Pennsylvania for at least one year, unless a longer period of residency is required by the State Constitution. The member must continue living in Pennsylvania during their term.

The bill is now in the House.

\*\*\* **Death Registration** - The Senate voted unanimously in favor of **Senate Bill 983**. This bill changes the Vital Statistics Law to require more of districts and local registrars' duties for death and fetal death registration. Local registrars have to send a copy of the death certificate for a person who was at least 18-years-old to the county board of elections in which the person resided at the time of death.

Local registrars also are required to issue blank pre-signed permits to funeral directors for the disposal of a dead body or fetal remains. The funeral director then has to file within 96 hours a certificate of death or fetal death to the local registrar.

The bill was enacted as **Act 129 of 2006**.

\* **Condemnations** - **Senate Bill 897** was unanimously passed by the Senate. This bill would have established new procedures to govern condemnations. One such requirement would have mandated that a condemnation proceeding be brought in the court of the county in which the property is located. At any time in the proceedings, the condemner or the condemned could have agreed upon all or any part or item of the damages and proceed to have those parts or items not agreed upon assessed.

The bill died in the House.

\* **Election Code – Circulator** – The Senate unanimously passed **Senate Bill 693**. This bill would have amended the Election Code to eliminate the requirement that circulators of school board candidate petitions be of the same designated party as the candidate. The bill died in the House.

\*\*\* **Land Restriction** - The Senate unanimously passed **Senate Bill 600**, which removes restrictions on certain land owned by Indiana County because of Project 70.

The bill was enacted as **Act 31 of 2005**.

\* **Authentication Fee** - By a unanimous vote, the Senate approved **Senate Bill 238**, which would have allowed the Department of State to charge a \$5 fee for authentication of a document for recognition by a foreign government, or certification required in an international adoption proceeding. The bill died in the House.

\* **Audits** - By a unanimous vote, the Senate approved **Senate Bill 210**, which would have made charitable organizations that raise more than \$250,000 in a year submit to an audit. Previously audits were required when these organizations raised more than \$125,000. The bill died in the House.

\* **Election Worker Oath** - By a unanimous vote, the Senate approved **Senate Bill 193**, which would have required people working the second half of Election Day to take the required oath at least thirty minutes before their shift begins. This would have included persons working as clerks and machine inspectors.

The bill died in the House.

\*\*\* **Motor Vehicle Building Sale** - The Senate unanimously passed **House Bill 2215** which authorizes the Department of General Services, with the approval of the Department of Military and Veterans' Affairs, to sell a .3-acre parcel of state land and a building, known as the "motor vehicle building," located in Columbia Borough, Lancaster County, at a price to be determined by competitive sealed bidding.

The bill was enacted as **Act 25 of 2006**.

\*\*\* **Laurelton Center Conveyance** - The Senate unanimously passed **House Bill 1745** which authorizes the Department of General Services to convey three tracts of land and buildings, located in Hartley Township, Union County, to Mountain Valley, Inc, a Maryland corporation. The property, formerly known as the Laurelton Center, is approximately 337 acres in size. No portion of the property may be used as a licensed facility under the Race Horse Development and Gaming Act or any other similar type of gambling facility. This bill was enacted as **Act 23 of 2005**.

\*\*\* **Pay Raise** - The Senate voted 27-23 in favor of the Conference Committee report on **House Bill 1521**, which would have increased the salary for members of the Judiciary, General Assembly, and Executive Branch.

Under the bill, members of the General Assembly would have received a base salary that is equal to 50 percent of a member of the U.S. House of Representatives. The bill also would have created a system for cost of living adjustments based on the salaries of designated federal officials.

The bill was enacted as **Act 44 of 2005**. However, the General Assembly later passed legislation that rescinded the pay raises (See House Bill 1956, Rules).

\*\*\* **Hempfield Township Land Conveyance** - The Senate unanimously passed **House Bill 1509**, which authorizes the Department of General Services to grant and convey to F & L Group, Inc., an access and utility easement across, approximately .87 acres in the Hempfield Township, Westmoreland County in exchange for improvements to be made to lands for the benefit of SCI-Greensburg. The bill was enacted as **Act 77 of 2005**.

\*\*\* **PUC Confidential Information** - The Senate voted unanimously in favor of **House Bill 854**, which creates the “Public Utility Confidential Security Information Disclosure Protection Act” to set up procedures for identifying, submitting, challenging and protecting confidential security information. It also prohibits disclosure of confidential security information and provides penalties.

Agencies have to file records into two categories: Public (Right to Know Law) and Confidential (Right to Know Law, treated as confidential security information). Any person can challenge the confidential security information. Challenges to a public utility designation have to be made in writing to the agency in which the record was originally filed.

A public official or public employee, who receives and is careless with a public utility confidential security information record, would be committing a second-degree misdemeanor. Offenders pay a maximum fine of \$5,000 plus the cost of prosecution or go to prison for up to one year, or both. The person also loses their job.

The bill was enacted as **Act 156 of 2006**.

\*\*\* **Charitable Audits** - The Senate voted unanimously in favor of **House Bill 632**, which requires every charitable organization that receives yearly contributions of \$300,000 or more to be reviewed.

Under the measure, every charitable organization that receives yearly contributions between \$50,000 and \$300,000 is required to have a review of their financial statements. Review of financial statements is optional for any charitable organization that receives yearly contributions less than \$50,000.

The bill was enacted as **Act 121 of 2006**.

**V Small Business Legislation** - The Senate voted 37-11 in favor of **House Bill 236**, which would have created rules for the legislature to follow when they are proposing legislation affecting small businesses.

The Legislature would have had to consider the effects the legislation would have on small businesses before approving it. The Independent Regulatory Review Commission (IRRC) would also have been contacted before any legislation that might have been deemed bad for small business were approved. A small business negatively impacted by legislation would have had 18 months to file a complaint with the courts. A small business was defined as independently owned with less than 100 full-time employees, or makes less than \$6 million.

The Governor vetoed the bill because he said it would increase the cost of operating the government unnecessarily by as much as \$1 million. He said the bill claims to protect small businesses, but, in fact, it would place new burdens on state agencies and commissions and, in turn, drive up the cost of their regulatory duties and drag out an already long process unnecessarily. A House attempt to override the veto failed.

\*\*\* **Shared EMS Purchases** - The Senate voted unanimously in favor of **House Bill 105**, which allows shared purchases of fire, rescue and ambulance company supplies. The Department of General Services is required to take care of contracts to help buy supplies for volunteer fire, rescue, ambulance companies and nonprofit statewide, county or regional fire, ambulance or rescue support organizations. The bill was enacted as **Act 153 of 2006**.

## **TRANSPORTATION**

\*\*\* **DUI Law Clarified** – The Senate voted 47-2 to permit judges to require convicted drunk drivers to attend victim impact panels. **House Bill 15** provides judges with the option of sentencing DUI offenders to attend these forums, which have been created in cooperation with Mothers Against Drunk Driving.

This bill also clarified the good-faith exception to the DUI law's two-hour rule. According to newspaper reports, defense lawyers in some parts of the state had argued that a DUI suspect's blood was required to be tested within two hours of being drawn. The District Attorneys Association believed that the law was intended to require the blood be drawn within two hours, but could be tested much later. The bill conformed state law to the argument advanced by prosecutors and closed the legal loophole.

The bill was signed into law as **Act 36 of 2006**.

\*\*\* **Drivers Required to Clean off Snow and Ice** – The Senate responded to the tragic death of a Lehigh Valley woman with legislation that penalizes drivers who cause fatal accidents by neglecting to clean off snow or ice from their vehicles.

The Senate voted 42-7 on **House Bill 121**, which instituted a maximum fine of \$1,000 if snow or ice falls from a vehicle and kills or gravely injures a pedestrian or other driver. Legislators were spurred to action after a mother was killed by a chunk of ice that flew off the top of a tractor-trailer and crashed through the window of her sport utility vehicle she was driving on Christmas Day 2005.

The bill was signed into law as **Act 37 of 2006**.

\*\*\* **Flying While Intoxicated** – A unanimous Senate endorsed **House Bill 129**, which made it crime to pilot an aircraft while under the influence of drugs or alcohol. Pennsylvania had been one of three states that did not explicitly outlaw flying while intoxicated.

This bill made it a second-degree misdemeanor for any member of a flight crew (including pilots, attendants, and ground maintenance workers) to perform his duties while under the influence of illegal drugs or alcohol. They may not have a blood-alcohol concentration greater than .02 percent and may not fly within eight hours of consuming alcohol. Those convicted under this statute face a fine of \$1,000-\$5,000, at least three days in jail, and drug treatment. Drunken pilots who cause injury, death, or property damage face even tougher penalties.

The bill was signed into law as **Act 10 of 2005**.

\*\*\* **Fines Boosted for Exceeding Bridge Weight Limits** – The Senate voted 47-1 to approve **House Bill 137**, which exempts operators of late-model motorcycles from the current requirement to run the cycle's headlight when the bike is in use. This change was necessary because certain motorcycles manufactured from 1973 to 1985 have difficulty with their battery charging system that make it difficult or impossible to operate with their headlamp on continuously.

This bill also increased the fine for violating a posted weight limit on a highway or bridge. According to the state Department of Transportation, overweight vehicles caused two bridges to collapse in 2005.

The bill was enacted as **Act 38 of 2006**.

\*\*\* **Turnback Program** -- The Senate voted unanimously to approve **House Bill 248**. This bill provided additional funds to the State Highway Transfer Program, also known as the "Turnback Program."

This legislation increased the annual maintenance payment to \$4,000 per mile. The Pennsylvania State Association of Township Supervisors strongly supported this legislation, and the Department of Transportation believes that additional revenues provided from the state Oil Franchise Tax can cover this increase in funds provided to local municipalities.

The bill was enacted as **Act 70 of 2006**.

\*\*\* **Philadelphia Parking Authority Changes** – The Senate voted 46-4 to approve **House Bill 489**, which made several changes to the Vehicle Code.

Some senators opposed the bill over a provision that revokes a vehicle registration when an individual has six or more unpaid parking tickets in Philadelphia. The bill was amended to give violators one month to rectify their situation before PennDOT is notified. The bill also weakened notification standards for those who have their vehicle impounded by the Philadelphia Parking Authority.

The bill was signed into law as **Act 50 of 2005**.

\*\*\* **Paying for DUI Testing** – The Senate unanimously approved **House Bill 601**, which requires an offender convicted of drunk driving to pay for his own blood alcohol testing. If an accused drunk driver is acquitted or the charges are subsequently dropped, the local government or State Police is required to pay for the testing.

The bill was enacted as **Act 40 of 2006**.

\*\*\* **Steer Clear Law** – Pennsylvania drivers are now required to “steer clear” of police and emergency responders, under legislation that received unanimous Senate approval.

**House Bill 804** requires drivers to change lanes, if possible, when passing an emergency scene. Previously, Pennsylvania law required drivers only to slow down. This bill also increases the maximum fine for this type of violation to \$250 and permits a 90-day license suspension if a violation results in serious injury to another person. The state Department of Transportation will be taking steps to educate the public about this change in the law.

The Senate had voted 42-7 on an earlier version of this bill, which included a provision that would have prohibited drivers from using a handheld cell phone. While this would have been a secondary offense (similar to Pennsylvania’s seatbelt law), the House stripped the language from the final version of the bill.

The final version included tougher penalties for attempting to elude a police officer and a change that would make it a separate offense for each child left unattended in a vehicle. This bill also establishes an electronic titling program (currently a pilot project) in statute and requires all vehicle financiers to participate by 2007.

In addition, this legislation permits the Philadelphia Parking Authority to levy an additional \$1 fee on tickets to go toward the Philadelphia Taxicab and Limousine Regulation Fund. This bill also amends the requirement that the Parking Authority provide written notice to vehicle owners whose registrations will be suspended for unpaid tickets. Under previous law, the notice was mailed by certified mail, return receipt requested. With this bill enacted, the Parking Authority is now required to send the notice by first-class mail.

The bill was enacted as **Act 113 of 2006**.

\*\*\* **Motorcycle Safety** – The Senate voted unanimously to approve legislation that permits motorcycle owners to add auxiliary lighting (including blue dot illumination, standard running lights, and LED strips) to their bikes to enhance their visibility and protect themselves (**House Bill 901**).

The governor signed this legislation into law as **Act 50 of 2006**.

\*\*\* **Administrative Law Judges** – The Senate unanimously approved legislation designed to improve fairness and efficiency at the state Department of Transportation.

**House Bill 1285** created the new position of administration law judge, who is permitted to hold hearings and decide cases on certain types of appeals, reviews, requests, and other licensing decisions, but is not a department employee. In addition, the department is now required to provide a “credit hearing” to any person at any time during a license suspension or revocation and is required to issue a final ruling within 60 days.

The bill was enacted as **Act 122 of 2006**.

\*\*\* **Organ Donation** – The Senate voted unanimously to approve **House Bill 1834**, which makes it easier to match organ donors with recipients. This legislation authorized the Department of Transportation to provide electronic access to drivers’ licensing information for approved organ procurement organizations. These organizations are prohibited from using the information for any purpose other than to ascertain organ donor status. The bill was enacted as **Act 48 of 2006**.

\*\*\* **Lights on for Safety** – Under legislation that received unanimous Senate approval, Pennsylvania law now requires motorists to turn on their headlights when windshield wipers are in use or a driver cannot see 1,000 feet ahead of the vehicle.

**House Bill 2133** also creates a state identification card, to be issued by the Department of Transportation, for children age 11 and older. In addition, the bill made several other changes to the Vehicle Code, including a provision advanced by Senate Democrats designed to help domestic steel producers.

The bill was enacted as **Act 159 of 2006**.



\*\*\* **Korean Veterans Honored** – The Senate voted unanimously to approve **House Bill 2295**, which creates a new specialty license plate for recipients of the Korean Defense Service Medal. Authorized by Congress in 2002, this medal is awarded to service members who have served in support of the defense of the Republic of Korea from 1954 to present. They must have flown sorties, been engaged in combat, or been wounded or injured in the line of duty.

The bill was signed into law as **Act 82 of 2006**.

\*\*\* **Aviation Advisory Committee** – The Senate unanimously approved **House Bill 2315**, which allowed the state Aviation Advisory Committee to eliminate term limits for membership. Previously, members of this board were limited to serving a maximum of six years, but no other Department of Transportation advisory committee had such a requirement. The bill was enacted as **Act 55 of 2006**.

\*\*\* **Highway Capital Budget Bill** – The Senate voted unanimously to approve **House Bill 2468**, the Highway Capital Budget itemization bill.

In this bill, the state legislature authorized the state Department of Transportation to construct highway capital projects totaling over \$1.7 billion, with funding from the Motor License Fund.

The bill was enacted as **Act 57 of 2006**.

\*\*\* **Gold Star Families Recognized** – Legislation that recognizes the families of Pennsylvania men and women who have been killed while serving in our nation's armed forces earned unanimous Senate approval.

**House Bill 2498** created the "Gold Star Family" specialty license plate, which is available to any family member of a service member killed while serving on active duty.

As of Dec. 20, 2006, the Iraq Coalition Casualty Count Web site listed 141 Pennsylvania residents who have died in Iraq and 11 who have died in Afghanistan.

The bill was enacted as **Act 117 of 2006**.

\*\*\* **New Trucking Regulations** – The Senate unanimously approved Senate Democratic-sponsored legislation that brought Pennsylvania into compliance with federal regulations for commercial driver licensing.

**Senate Bill 724** implemented the Federal Motor Carrier Safety Improvement Act of 1999, which requires states to maintain a complete driving record of all traffic violations (except parking) and disqualifies drivers from obtaining a commercial license when they have high-risk traffic offenses in their own, personal vehicles. If state laws had not incorporated the new federal guidelines, Pennsylvania stood to lose up to \$40 million in federal highway and safety funding and the authority to issue or renew a commercial driver's license.

The bill was signed into law as **Act 37 of 2005**.

\*\*\* **Bridge Bill** – Over \$2.1 billion in capital budget projects for Pennsylvania's bridges were authorized under legislation approved unanimously in the Senate.

**Senate Bill 874** itemized local and state bridge projects that are approved for new construction, replacement, or maintenance. The state Department of Transportation estimates that 22 percent of the state's bridges are "structurally deficient" and must be replaced in the upcoming years.

The bill was enacted as **Act 103 of 2006**.

\*\*\* **State of Emergency** – Legislation inspired by the chaotic evacuation of New Orleans after Hurricane Katrina found unanimous Senate support in this session.

**Senate Bill 1056** exempts drivers operating a school bus or other commercial vehicle during a state of emergency from being prosecuted for an accident involving death or personal injury while not properly licensed. The legislation is designed to allow for rapid evacuation in the event of an emergency when sufficient numbers of commercial drivers are not available to operate school buses or vans.

The bill was enacted as **Act 61 of 2006**.

\*\*\* **Rail Freight Assistance** – Senate Democratic legislation to encourage investment in Pennsylvania's rail freight infrastructure passed the Senate unanimously.

**Senate Bill 1095** permits the state Department of Transportation to award grants under the Rail Freight Assistance Program to any business that would like to improve the rail infrastructure in order to gain access to Pennsylvania's network of 5,145 route-miles of freight railroads. The department had reviewed the existing language in the Rail Freight Preservation and Improvement Act and determined that grants could only be awarded to railroad companies, transportation organizations, and local governments.

The Rail Freight Assistance Program received a \$2 million increase in the 2006-07 state budget, from \$8.5 million to \$10.5 million. The program provides grants of up to \$750,000 for maintenance projects and up to \$100,000 for construction projects. It also requires a local match and an agreement to maintain active rail operations for five years.

The bill was enacted as **Act 180 of 2006**.

\*\*\* **Fallen State Trooper Honored** – A Senate Democratic proposal to memorialize a fallen state trooper won unanimous Senate support.

**Senate Bill 1169** designated a portion of the Parkway West (I-279) in Allegheny County as the “State Police Cpl. Joseph R. Pokorny Memorial Highway.” Pokorny had been a 22-year veteran of the State Police when he was shot and killed in the line of duty in December 2005.

The bill was enacted as **Act 107 of 2006**.

\*\* **Driving and Dialing Considered for Ban** – Legislation that would have prohibited Pennsylvania motorists from using a handheld cell phone passed the Senate, but was never approved in its final form by both houses of the legislature.

The Senate voted 33-16 to approve **House Bill 1631**, which would have barred drivers from using a handheld cell phone and would have provided for a \$250 fine upon conviction. The bill would have expressly permitted the use of hands-free technology, such as “Bluetooth” headsets, for drivers and would have made exceptions in situations like reporting an accident or calling 911. The bill would have made driving while talking on a cell phone a secondary offense only, similar to Pennsylvania’s seat-belt law.

This bill also included language that would have permitted university maintenance vehicles that are used exclusively on campus to forego registration.

The House retained this provision, stripped the cell-phone prohibition, and sent the bill back to the Senate, where it died.

\* **Mass Transit Funding** – The Senate took preliminary steps to address the state’s mass transit crisis when it unanimously passed **Senate Bill 199**. The bill would have temporarily removed the \$75 million cap on appropriations for mass transit from sales tax revenue.

During consideration in the Senate Transportation Committee, some Democratic senators expressed concern about the bill’s potential negative impact on the General Fund (approximately \$22 million in fiscal 2004-

05). For this reason, Gov. Ed Rendell opposed the bill, preferring a more permanent fix for mass transit and highway funding needs in Pennsylvania.

The bill never emerged from the House Finance Committee.

\* **Steer Clear Law Considered** – Legislation to make it safer for state troopers and local police who patrol Pennsylvania's highways was approved by a unanimous Senate and later amended into another bill.

**Senate Bill 703** would have required motorists who were passing a stopped emergency vehicle or patrol car to show caution and change lanes when safe to do so. The Fraternal Order of Police pushed for the legislation, which would have imposed fines of \$30 to \$300.

The bill was never voted on in the House, but a similar provision was later added to House Bill 804, which was successfully enacted.

\* **Highway Capital Budget** – The Senate voted unanimously for **Senate Bill 873**, which itemized each county's projects for the highway capital budget. The total authorized in this Senate version of the highway capital budget would have been \$234.7 million.

The bill was never considered in the House, as the House version of this spending authorization bill (House Bill 2468) eventually became law.

\* **Cleaner Cars for Pennsylvania** – By a vote of 27-20, the Senate approved **Senate Bill 1025**, which would have prevented the Environmental Quality Board from moving forward with more stringent "California car" regulations that exceed auto manufacturer standards set by the federal government for low-emissions vehicles.

Because California acted to combat its air-quality problems before the federal Clean Air Act was adopted, the West Coast state has retained the authority to adopt its own standards. When the state first adopted its Clean Vehicles program in 1998, legislators utilized California's standards because a mandatory federal program had not yet been enacted. The understanding was that the finalized federal standards, now known as Tier II, would be available as a compliance alternative.

In October 2005, the Environmental Quality Board acted to adopt California's newest standards for low-emissions vehicles, known as CA-LEV II. Several legislators objected to this action because it effectively surrendered Pennsylvania's regulatory authority to an appointed board in California.

Secretary of Environmental Protection Kathleen McGinty contended that adopting CA-LEV II was essential to achieving Pennsylvania's air-quality attainment goals, as required by the federal government.

Environmental groups asserted that adopting CA-LEV II in Pennsylvania would result in a 6 to 12 percent reduction in hazardous vehicle emissions. In contrast, the federal Environmental Protection Agency estimated that the difference between California's standards and Tier II to be around 1 or 2 percent.

The auto industry claimed that new California cars would cost up to \$3,000 more for consumers, but there is currently no price differential between the Tier II car and today's generation of California cars.

In October 2006, with a general election less than a month away, the bill was sent out of the House Transportation Committee with less than 24 hours notice. However, the House leadership never brought the bill up for a floor vote. With no further action on Senate Bill 1025, the tougher rules proceeded through the regulatory process, winning approval from the Independent Regulatory Review Commission in November 2006 and getting a final go-ahead from the state Attorney General in December 2006.

\* **Flight 93 Memorial Highway** – A Senate Democratic bill to honor the victims of Flight 93 with an official road designation won unanimous Senate support, but was never considered in the House.

**Senate Bill 1088** would have designated the Somerset County portion of State Route 219 as the "Flight 93 Memorial Highway."

\* **Boot Drive Fundraisers** – By a 49 to 1 vote, the Senate approved **Senate Bill 1330**, which would have permitted fire, police, and other emergency service volunteers to solicit funds at roadway intersections, an activity commonly known as a "boot drive."

While it is currently illegal to solicit donations along roadways, the law is rarely enforced. The original bill would have permitted all registered charities, with local government approval, to solicit on roadways. Citing safety concerns, the bill was amended to limit roadway solicitation to emergency service personnel.

The House added several amendments to this legislation, so it was sent back to the Senate Rules Committee, which never acted on the final version of the bill.

**V Highway Regulations Updated** – The Senate voted unanimously to approve **House Bill 1928**, which would have permitted up to three modular home undercarriages to be stacked and transported on state highways. Senate Democrats amended this legislation to add a provision that would have benefited domestic steel

producers, by permitting the transit of a “hot box” (a machine used in the manufacture of steel) on state roads, but not interstate highways. This provision was also added to **House Bill 2133**, which was later enacted successfully.

Citing concerns about increasing weight limits on the state’s aging road network, the governor rejected this legislation as **Veto 6 of 2006**.

### **URBAN AFFAIRS AND HOUSING COMMITTEE**

\*\*\* **Residential Housing – Purchasing, Renting, Maintaining** – By a 50-0 vote, the Senate approved **House Bill 139**, legislation that allows all Pennsylvania counties to raise local revenues for enabling residents to purchase, rent, and maintain quality residential housing.

Counties are now permitted to increase the fee charged for the recording of deeds and mortgages. Under the bill, 85 percent of the fees are to be distributed to local affordable housing initiatives and the remaining 15 percent used to offset administrative costs.

The bill was signed into law as **Act 49 of 2005**.

**V Alternative Construction Dispute Resolution Procedures** - - The Senate concurred in House amendments to **House Bill 1467** with a vote of 45-2. This bill would have provided for alternative dispute resolution procedures between contractors and homeowners concerning residential construction defects.

The Governor vetoed the bill because he said that the Attorney General determined that this bill does not conform to the state Constitution. The Governor also said he saw no evidence in Pennsylvania of a problem with homebuilder liability insurance costs.

\*\*\* **Purchasing or Renovating a Planned Community Unit** – The Senate unanimously passed **House Bill 1826**, which permits the use of a surety bond or letter of credit in lieu of escrowing a deposit made in connection with the purchase or reservation of a planned community unit. Previously, the law required declarants to place the entire deposit amount, made in connection with the purchase or reservation of a unit, in escrow.

The bill was enacted as **Act 3 of 2005**.

\*\*\* **Housing Authority Power** - - The Senate unanimously approved **House bill 2667**, which clarifies the power of housing authorities over “mixed-use projects.”

A mixed-use project consists of any combination of a commercial, industrial, market-rate residential or retail operation.

Under the bill, an authority now has the power to do, fund, develop or operate mixed-use projects.

The amended bill was signed into law as **Act 145 of 2006**.

\*\*\* **American, Commonwealth and Military Flag Act** - - The Senate unanimously passed **Senate Bill 82**. The measure is known as the “American, Commonwealth and Military Flag Act” stipulates that:

- An association may not prohibit the outdoor display of one American flag, Commonwealth flag and military flag, by a unit owner on that unit owner’s property or property within the exclusive control of a unit owner or that portion of an exterior wall directly attached to the unit.
- A cemetery entity may not prohibit the outdoor display of one American flag, Commonwealth flag and military flag on lots if the American flag is displayed.
- An association and cemetery entity may adopt rules and regulations regarding the placement and display of a Commonwealth flag or military flag and regarding the locations, size and use of a flagpole.
- Any rules and regulations adopted by the association and cemetery entity regarding the display of a military flag must permit the flying of such flags, in a respectful way.
- Nothing in this act would preclude a lot owner, or his heirs or assigns, from limiting or prohibiting the display of an American flag, Commonwealth flag or military flag on a lot.

The measure was signed into law as **Act 93 of 2006**.

\* **Flood History Notification for Renters** – By a 48-0 vote, the Senate approved **Senate Bill 502**. This legislation would have amended Pennsylvania’s Landlord-Tenant Act to require that prior to entering into a lease agreement for residential real property, landlords must inform prospective tenants of the property’s flood history, including the frequency and extent of prior flooding.

Landlords who willfully or negligently violate the measure would have been required to pay the amount of actual damages suffered by the tenant as a result of the failure to disclose flood history.

The bill died in the House.

\* **Residential Construction Dispute Resolution** – With a vote of 48-2, the Senate passed **Senate Bill 656**. The measure would have created the “Residential Construction Dispute Resolution Act,” providing for dispute resolution procedures concerning residential construction defects between contractors and homeowners.

The measure was aimed at settling construction defect disputes before they reach a court of law.

Under the bill, the claimant would have provided service of written notice of claim on that contractor no later than 75 days before initiating an action. The notice would have adequately the nature of the alleged construction defects and the results of the defects.

The bill died in the House.

### **VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS**

\*\*\* **Merchant Marine World War II Veterans Bonus Act** -- The Senate unanimously approved legislation that creates the Merchant Marine World War II Veterans Bonus Act.

**House Bill 58** provides a \$500 bonus to Pennsylvanians who served in the U. S. Merchant Marines during World War II.

The bonus is not subject to any attachment or tax. Anyone who collects or attempts to collect a fee for helping a veteran obtain this benefit could be fined or imprisoned.

The Governor signed the bill into law as **Act 22 of 2006**.

\*\*\* **Volunteer Fire Company and Volunteer Ambulance Service Grant Act** -- The Senate voted unanimously in favor of **House Bill 599**, which funds the state’s \$25 million grant program for volunteer fire and emergency service companies for another year.

The grants are used to make building repairs, purchase new equipment, for training and to make debt payments.



The program, first established in 2000, was slated to become permanent and funded with gaming proceeds. However, the State Supreme Court in 2005 struck down that provision in the gaming law.

The Governor signed the bill into law as **Act 13 of 2006**.

\*\*\* **Military Leaves of Absence** The Senate voted unanimously in favor of **House Bill 1069**, which provides further leaves of absences for government employees who are also in the military.

Activated reservists and members of the Pennsylvania National Guard are entitled up to 15 days of additional military leave of absence each year.

The Governor signed the bill into law as **Act 62 of 2005**.

\*\*\* **Amendment to Military Family Relief Assistance Program** The Senate voted unanimously in favor of **House Bill 1179**, which offers an amendment to the Military Family Relief Assistance Program.

This bill sets up an account and distributes funds to service men and women or their family members who are in financial need as a direct result of their military service.

The Governor signed the bill into law as **Act 65 of 2005**.

\*\*\* **Bonus to Persian Gulf Veterans** The Senate voted 48-1 in favor of **House Bill 1820**, which provides a bonus to military veterans who served in the Persian Gulf Conflict, or their beneficiaries.

Qualified veterans receive \$75 for each month of active duty service in the Persian Gulf Conflict, with a maximum limit of \$525. Prisoners of war receive an additional \$5,000 bonus. A beneficiary of a soldier who died in combat, or as a result of service-connected injuries, also receives an additional \$5,000.

If the veteran has died, payment would be made first to the spouse, second to the children, and last to the parents.

The Governor signed the bill into law as **Act 29 of 2006**.

\*\*\* **Exemptions for Military, Veterans** The Senate unanimously approved **House Bill 2296**, which states that people entering military service would not forfeit his or her current license and would be exempt from any continuing educational requirements or in-service training requirements.

The legislation also includes language relating to the disabled veterans real estate tax exemption; clarifies that the veterans may own the dwelling with his or her spouse; and creates a rebuttable presumption that an applicant with an income of \$75,000 a year or less is in need of the exemption.

The Governor signed the bill into law as **Act 161 of 2006**.

\* **Disabled Veterans' Real Estate Tax Exemption** The Senate voted unanimously on legislation that would have further provided for disabled veterans' real estate tax exemptions and for duty of commissions.

**Senate Bill 19** states that any resident who is a disabled veteran will be exempt from the paying all real estate taxes on any building, including the land upon which it stands, that is occupied by that person if the person owns it alone, with his or her spouse or as an estate.

The measure also assumed that an applicant with annual income of \$75,000 or less has a need for the exemption.

The bill died in the House.

\*\*\* **Educational Assistance for National Guard Personnel** The Senate voted unanimously in favor of **Senate Bill 358**, which allows active duty National Guard personnel to extend their participation in the Educational Assistance Program.

The program currently provides members with tuition grants to pay for up to five years, or 10 semesters of college, which the members are required to complete during their term of service. This Democratic-sponsored bill extends the grants by each month the guardsman is deployed on active duty.

The Governor signed the bill into law as **Act 82 of 2005**.

\* **Subsidized Childcare for National Guard Families** The Senate voted unanimously in favor of **Senate Bill 682**, which would have given Pennsylvania National Guard families top priority in obtaining subsidized childcare.

A family with at least one parent who has been ordered to active federal or state duty in the Pennsylvania National Guard would have been given preference for placement in state subsidized child care. Other eligibility requirements included being a state resident and having a household income that is less than 200 percent of the federal poverty income guideline.

Under the Democratic-sponsored bill, a family would have paid a weekly co-payment of \$5 to \$25, depending on income, and the state would cover the remaining cost.

The bill died in the House.

\*\*\* **Health Benefits for Students in National Guard, Reserves** The Senate voted unanimously in favor of **Senate Bill 869**, which extends health insurance benefits for certain military personnel who were covered under their parents' insurance and were full-time students at the time of deployment.

To qualify, the student must be a member of the Pennsylvania National Guard or the Reserve who are called to active duty or active state duty, other than for training, for a period of 30 or more consecutive days. Coverage is extended for a period equal to how long the student was on active duty or until they are no longer a full-time student.

The Governor signed the bill into law as **Act 83 of 2005**.

\*\*\* **Exemptions for Families of Deceased Soldiers** The Senate voted unanimously in favor of **Senate Bill 1043**, which further provides for the exemption of tuition costs and fees for children and spouses of deceased soldiers.

This waiver will apply to all Pennsylvania State-owned colleges, universities, approved trade schools, State-related institutions of higher learning or community colleges in the commonwealth for a period not exceeding eight semesters or four years, whichever is greater.

A spouse will be eligible for a waiver of tuition costs and fees for a period not exceeding ten years from the date the member is killed or dies or until the spouse remarries, whichever occurs first.

The Governor signed the bill into law as **Act 105 of 2006**.

\*\*\* **Educational Assistance for Disabled National Guard Member** The Senate voted unanimously in favor of **Senate Bill 1081**, which ensures that veterans of the National Guard disabled in the line of duty remain

eligible for the Educational Assistance Program. The bill spells out the eligibility requirements for Pennsylvania National Guard members who are eligible to receive a public service educational grant and a full-time student assistance grant.

The Governor signed the bill into law as **Act 44 of 2006**.

\*\*\* **Leaves of Absence for Guard Members** -- The Senate unanimously voted on legislation that further provides certain leaves of absence for Pennsylvania National Guard members.

**Senate Bill 1266** states that when state officers and employees who are members of the Pennsylvania National Guard are ordered to or volunteer for active duty service away from home for more than 30 consecutive days, they are entitled to up to 15 days of additional military leave of absence in any one year without loss of pay, time and efficiency rating.

This act shall be retroactive to January 1, 2005, for officers and employees who did not previously qualify.

The Governor signed the bill into law as **Act 150 of 2006**.

\* **Contracting with Veteran-owned Businesses** The Senate voted unanimously on legislation amending that would have added a chapter providing for contracting with veteran-owned businesses and to impose certain duties upon the Department of General Services.

**Senate Bill 1353** defined a "veteran" as an individual who was a member of the armed services of the United States, including, but not limited to, the National Guard, who has received an honorable discharge and who is domiciled in Pennsylvania.

The measure defined a "veteran-owned business" as a business that is owned or controlled by a majority of persons who are veterans.

The bill died in the House.

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