

COMMONWEALTH OF PENNSYLVANIA

LEGISLATIVE JOURNAL

TUESDAY, JUNE 15, 2010

SESSION OF 2010

194TH OF THE GENERAL ASSEMBLY

No. 34

HOUSE OF REPRESENTATIVES

The House convened at 11 a.m., e.d.t.

THE SPEAKER (KEITH R. McCALL) PRESIDING

PRAYER

HON. RICHARD T. GRUCELÀ, member of the House of Representatives, offered the following prayer:

Thank you, Mr. Speaker.

Good morning.

Please bow Your heads in prayer as we ask God to guide us in our deliberations today.

We pause in this moment to ask God to bless us with His presence knowing that, gracious God, while we stray from You, You stay faithful to us; while we may rage in anger, You speak tenderly; while we are falling from grace, You are lifting us up; while we are harsh in judging, You are just and compassionate; while we fear insecurity of change and growth, You draw close to be our strength; while we refuse to forgive, You do so generously; while we are less than we hope to be, You are more to us than we expect. Lord God, may we always know who and what You are.

As always, we ask You to bless our members and their families with good health, especially those with special needs, and that You watch over our men and women serving our country, especially those in harm's way.

On this beautiful day in Pennsylvania, all this we ask in Your name. Amen.

PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by members and visitors.)

The SPEAKER. Members will report to the floor.

JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, approval of the Journal of Monday, June 14, 2010, will be postponed until printed. The Chair hears no objection.

LEAVES OF ABSENCE

The SPEAKER. Turning to leaves of absence, the Chair recognizes the majority whip, Representative Dermody, who requests a leave of absence for Representative ROEBUCK from Philadelphia County for the day. Without objection, the leave will be granted.

The Chair recognizes the minority whip, Representative Turzai, who requests a leave of absence for: Representative WATSON from Bucks County for the day; Representative REESE from Westmoreland County for the day; Representative Dennis O'BRIEN from Philadelphia County for the day. Without objection, the leaves will be granted.

MASTER ROLL CALL

The SPEAKER. The Speaker is about to take the master roll. The members will proceed to vote.

The following roll call was recorded:

PRESENT-197

Adolph	Everett	Lentz	Readshaw
Baker	Fabrizio	Levdansky	Reed
Barbin	Fairchild	Longietti	Reichley
Barrar	Farry	Maher	Roae
Bear	Fleck	Mahoney	Rock
Belfanti	Frankel	Major	Rohrer
Benninghoff	Freeman	Manderino	Ross
Beyer	Gabig	Mann	Sabatina
Bishop	Gabler	Markosek	Sainato
Boback	Galloway	Marshall	Samuelson
Boyd	Geist	Marsico	Santarsiero
Boyle	George	Matzie	Santoni
Bradford	Gerber	McGeehan	Saylor
Brennan	Gergely	McI. Smith	Scavello
Briggs	Gibbons	Melio	Schroder
Brooks	Gillespie	Metcalfe	Seip
Brown	Gingrich	Metzgar	Shapiro
Burns	Godshall	Miccarelli	Siptroth
Buxton	Goodman	Micozzie	Smith, K.
Caltagirone	Grell	Miller	Smith, M.
Carroll	Grove	Milne	Smith, S.
Casorio	Grucela	Mirabito	Solobay
Causer	Hahn	Moul	Sonney
Christiana	Haluska	Mundy	Staback
Clymer	Hanna	Murphy	Stern
Cohen	Harhai	Murt	Stevenson
Conklin	Harhart	Mustio	Sturla
Costa, D.	Harkins	Myers	Swanger
Costa, P.	Harper	O'Brien, M.	Tallman

Cox	Harris	O'Neill	Taylor, J.
Creighton	Helm	Oberlander	Taylor, R.
Cruz	Hennessey	Oliver	Thomas
Curry	Hess	Pallone	Toepel
Cutler	Hickernell	Parker	True
Daley	Hornaman	Pashinski	Turzai
Day	Houghton	Payne	Vereb
Deasy	Hutchinson	Payton	Vitali
Delozier	Johnson	Peifer	Vulakovich
DeLuca	Josephs	Perry	Wagner
Denlinger	Kauffman	Perzel	Wansacz
DePasquale	Keller, M.K.	Petrarca	Waters
Dermody	Keller, W.	Petri	Wheatley
DeWeese	Kessler	Phillips	White
DiGirolamo	Killion	Pickett	Williams
Donatucci	Kirkland	Preston	Youngblood
Drucker	Knowles	Pyle	Yudichak
Eachus	Kortz	Quigley	
Ellis	Kotik	Quinn	
Evans, D.	Krieger	Rapp	
Evans, J.	Kula	Ravenstahl	

ADDITIONS—0

NOT VOTING—0

EXCUSED—5

Millard O'Brien, D.	Reese	Roebuck	Watson
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LEAVES CANCELED—2

O'Brien, D.	Roebuck
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The SPEAKER. A quorum being present, the House will proceed to conduct business.

GUESTS INTRODUCED

The SPEAKER. The Speaker would like to welcome some visitors to the House.

In the well of the House, Katye Trexler, who is a guest page. Katye has her own nonprofit organization, Katye's Helping Hands. Katye sends care packages to every Pennsylvania child under 18 who loses a law enforcement parent in the line of duty. She is the guest of Representative Sue Helm. Katye, will you please rise. Welcome to the hall of the House.

To the left of the Speaker, the Chair welcomes Karen Galbraith and her sons, Ben and Ian. They are the guests of Representative Sheryl Delozier and Representative Will Gabig. Will the guests please rise. Welcome to the hall of the House.

Also to the left of the Speaker, the Chair welcomes, representing Pennsylvania for 2010, Miss Teen International, Sophia Medairy of Hollidaysburg; Miss International, Tammie Kennedy of Mechanicsburg; and Mrs. International, Dixie Shaffer of Meadville. They are accompanied by Jodi Cessna, who is the program director, and the remaining family members are seated in the back of the hall of the House. Welcome to the hall of the House.

In the back of the House, the Chair welcomes Judd Livingston, Ivan Livingston, and Serena Livingston. They are the guests of Representative Shapiro. Will the guests please rise. Welcome to the hall of the House.

Also in the back of the House, the Chair welcomes Pastor Omar Epps and Christien Barkley. They are the guests of Representative Johnson. Will the guests please rise. Welcome to the hall of the House.

Also in the back of the House, the Chair welcomes Richard and Betty Jean Gilbert from Souderton, PA, and Robert and Maureen McKee from Ambler, PA. They are the guests of Kate Harper, Bob Godshall, and Rick Taylor. Will the guests please rise. Welcome to the hall of the House.

The Chair also welcomes members of SEIU (Service Employees International Union) 668. They are in the balcony. They are from Monroe County and constituents of Representative Siptroth. Will the guests please rise. Welcome to the hall of the House.

Also in the well of the House, the Chair welcomes Abhay Metgud and Neil Shitut, serving as guest pages today, and to the left of the Speaker is Varsha Shitut, Hema Metgud, and Neha Metgud. They are the guests of Representatives Carroll, Yudichak, and Karen Boback. Will the guests please rise. Sorry about crucifying the names. Welcome to the hall of the House.

REMARKS SUBMITTED FOR THE RECORD

Mr. PETRI submitted the following remarks for the Legislative Journal:

Mr. Speaker, it is my privilege to bring to the attention of the Speaker and the members of the Pennsylvania House of Representatives the names of Jeremy Hough, Kenneth Cummings, Eric Bressler, Blake DeCarvalho, Joseph Donahue, Patrick Celia, Vesko Kostic, and Dan Grimes, who have recently been awarded Scouting's highest honor – Eagle Scout.

Mr. Speaker, I would like to read to the members of the House of Representatives the following citation.

Whereas, Jeremy Hough, Kenneth Cummings, Eric Bressler, Blake DeCarvalho, Joseph Donahue, Patrick Celia, Vesko Kostic, and Dan Grimes have earned the Eagle Award in Scouting. This is the highest award that Boy Scouts can bestow and as such represents great sacrifice and tremendous effort on the part of these young men. They are all members of Troop 5.

Now therefore, Mr. Speaker and members of the House of Representatives, it is my privilege to congratulate and place in the Legislative Journal the names of Jeremy Hough, Kenneth Cummings, Eric Bressler, Blake DeCarvalho, Joseph Donahue, Patrick Celia, Vesko Kostic, and Dan Grimes.

HOUSE RESOLUTION
INTRODUCED AND REFERRED

No. 850 By Representatives WANSACZ, DALEY, DEASY, CONKLIN, HORNAMAN, MELIO, MICOZZIE, MYERS, PYLE, K. SMITH, VULAKOVICH, WHITE, YOUNGBLOOD, STURLA and BEYER

A Concurrent Resolution directing the Joint State Government Commission to conduct a study of the procedures for administering grants to both career and volunteer fire departments and to provide recommendations as to how to ensure priority for the distribution of funds to active fire departments and recommend procedures for the disbursement of grants to ensure equity and solvency.

Referred to Committee on VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, June 15, 2010.

HOUSE BILLS INTRODUCED AND REFERRED

No. 2577 By Representatives PERRY, BOYD, COX, O'NEILL, BAKER, CHRISTIANA, CREIGHTON, CUTLER, EVERETT, FLECK, GINGRICH, GROVE, HARRIS, HESS, KAUFFMAN, M. KELLER, KRIEGER, MAJOR, MOUL, OBERLANDER, PETRI, PICKETT, PYLE, RAPP, ROCK, SAYLOR, STERN, STEVENSON, SWANGER and TURZAI

An Act amending the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment Compensation Law, further providing for definitions and for establishment and maintenance of employer's reserve accounts; providing for relief from charges; further providing for qualifications required to secure compensation, for ineligibility for compensation and for rate and amount of compensation; providing for effect of severance pay on benefits; further providing for rules of procedure; and providing for applicability.

Referred to Committee on LABOR RELATIONS, June 15, 2010.

No. 2578 By Representatives GEORGE, BUXTON, CARROLL, COHEN, DePASQUALE, GERBER, GRUCELIA, HANNA, HARHAI, HORNAMAN, JOSEPHS, KESSLER, MANN, McILVAINE SMITH, MICCARELLI, PALLONE, PRESTON, SIPTROTH, STURLA and YOUNGBLOOD

An Act amending the act of July 10, 2008 (P.L.1009, No.78), known as the Biofuel Development and In-State Production Incentive Act, further providing for definitions, for biodiesel content in diesel fuel sold for on-road use, for agency responsibilities and for infrastructure reports; and providing for Biofuel Development Fund.

Referred to Committee on ENVIRONMENTAL RESOURCES AND ENERGY, June 15, 2010.

No. 2579 By Representatives MIRABITO, HANNA, McILVAINE SMITH, BRADFORD, BRENNAN, BUXTON, CALTAGIRONE, CARROLL, DERMODY, FAIRCHILD, FRANKEL, FREEMAN, GOODMAN, GRUCELIA, HALUSKA, HARHAI, HORNAMAN, HOUGHTON, JOSEPHS, KESSLER, KORTZ, LENTZ, SEIP, K. SMITH, STABACK, R. TAYLOR and WANSACZ

An Act amending Title 72 (Taxation and Fiscal Affairs) of the Pennsylvania Consolidated Statutes, imposing a tax on the extraction of natural gas; providing for natural gas severance registration certificate, for duties of the Department of Revenue, for tax assessments and tax liens; imposing penalties; providing for service of process, for rulemaking, for cooperation with other governments and for bonds; establishing the Natural Gas Severance Tax Account, the Local Government Services Account and the Oil and Gas Environmental Disaster and Economic Protection Account; and making an appropriation.

Referred to Committee on FINANCE, June 15, 2010.

No. 2580 By Representatives CHRISTIANA, TURZAI, BROOKS, CAUSER, COHEN, CUTLER, GINGRICH, GOODMAN, HARKINS, HUTCHINSON, KNOWLES, MAHER, METCALFE, ROCK, SAINATO, GIBBONS and GABLER

An Act authorizing and directing the Department of General Services, with the approval of the Governor, to grant and convey certain lands situate in the 11th Ward, City of Harrisburg, known as the Governor's Residence.

Referred to Committee on STATE GOVERNMENT, June 15, 2010.

No. 2581 By Representatives WANSACZ, BELFANTI, BISHOP, CALTAGIRONE, COHEN, DALEY, DEASY, EVERETT, HORNAMAN, MYERS, SIPTROTH, K. SMITH, WAGNER and YOUNGBLOOD

An Act amending the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, providing for physical therapy benefit design.

Referred to Committee on INSURANCE, June 15, 2010.

SENATE BILLS FOR CONCURRENCE

The clerk of the Senate, being introduced, presented the following bills for concurrence:

SB 104, PN 2025

Referred to Committee on STATE GOVERNMENT, June 15, 2010.

SB 954, PN 1205

Referred to Committee on EDUCATION, June 15, 2010.

CALENDAR

RESOLUTIONS PURSUANT TO RULE 35

Mr. DERMODY called up **HR 752, PN 3566**, entitled:

A Resolution recognizing the Pittsburgh Pirates Championship team of 1960, and October 13, 2010, as the 50th anniversary of Bill Mazeroski's World Series winning home run.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—197

Adolph	Everett	Lentz	Readshaw
Baker	Fabrizio	Levdansky	Reed
Barbin	Fairchild	Longietti	Reichley
Barrar	Farry	Maher	Roae
Bear	Fleck	Mahoney	Rock
Belfanti	Frankel	Major	Rohrer
Benninghoff	Freeman	Manderino	Ross
Beyer	Gabig	Mann	Sabatina
Bishop	Gabler	Markosek	Sainato
Boback	Galloway	Marshall	Samuelson
Boyd	Geist	Marsico	Santarsiero
Boyle	George	Matzie	Santoni
Bradford	Gerber	McGeehan	Saylor

Brennan	Gergely	McI. Smith	Scavello	Benninghoff	Freeman	Manderino	Ross
Briggs	Gibbons	Melio	Schroder	Beyer	Gabig	Mann	Sabatina
Brooks	Gillespie	Metcalfe	Seip	Bishop	Gabler	Markosek	Sainato
Brown	Gingrich	Metzgar	Shapiro	Boback	Galloway	Marshall	Samuelson
Burns	Godshall	Miccarelli	Siptroth	Boyd	Geist	Marsico	Santarsiero
Buxton	Goodman	Micozzie	Smith, K.	Boyle	George	Matzie	Santoni
Caltagirone	Grell	Miller	Smith, M.	Bradford	Gerber	McGeehan	Saylor
Carroll	Grove	Milne	Smith, S.	Brennan	Gergely	McI. Smith	Scavello
Casorio	Grucela	Mirabito	Solobay	Briggs	Gibbons	Melio	Schroder
Causer	Hahn	Moul	Sonney	Brooks	Gillespie	Metcalfe	Seip
Christiana	Haluska	Mundy	Staback	Brown	Gingrich	Metzgar	Shapiro
Clymer	Hanna	Murphy	Stern	Burns	Godshall	Miccarelli	Siptroth
Cohen	Harhai	Murt	Stevenson	Buxton	Goodman	Micozzie	Smith, K.
Conklin	Harhart	Mustio	Sturla	Caltagirone	Grell	Miller	Smith, M.
Costa, D.	Harkins	Myers	Swanger	Carroll	Grove	Milne	Smith, S.
Costa, P.	Harper	O'Brien, M.	Tallman	Casorio	Grucela	Mirabito	Solobay
Cox	Harris	O'Neill	Taylor, J.	Causer	Hahn	Moul	Sonney
Creighton	Helm	Oberlander	Taylor, R.	Christiana	Haluska	Mundy	Staback
Cruz	Hennessey	Oliver	Thomas	Clymer	Hanna	Murphy	Stern
Curry	Hess	Pallone	Toepel	Cohen	Harhai	Murt	Stevenson
Cutler	Hickernell	Parker	True	Conklin	Harhart	Mustio	Sturla
Daley	Hornaman	Pashinski	Turzai	Costa, D.	Harkins	Myers	Swanger
Day	Houghton	Payne	Vereb	Costa, P.	Harper	O'Brien, M.	Tallman
Deasy	Hutchinson	Payton	Vitali	Cox	Harris	O'Neill	Taylor, J.
Delozier	Johnson	Peifer	Vulakovich	Creighton	Helm	Oberlander	Taylor, R.
DeLuca	Josephs	Perry	Wagner	Cruz	Hennessey	Oliver	Thomas
Denlinger	Kauffman	Perzel	Wansacz	Curry	Hess	Pallone	Toepel
DePasquale	Keller, M.K.	Petrarca	Waters	Cutler	Hickernell	Parker	True
Dermody	Keller, W.	Petri	Wheatley	Daley	Hornaman	Pashinski	Turzai
DeWeese	Kessler	Phillips	White	Day	Houghton	Payne	Vereb
DiGirolamo	Killion	Pickett	Williams	Deasy	Hutchinson	Payton	Vitali
Donatucci	Kirkland	Preston	Youngblood	Delozier	Johnson	Peifer	Vulakovich
Drucker	Knowles	Pyle	Yudichak	DeLuca	Josephs	Perry	Wagner
Eachus	Kortz	Quigley		Denlinger	Kauffman	Perzel	Wansacz
Ellis	Kotik	Quinn	McCall,	DePasquale	Keller, M.K.	Petrarca	Waters
Evans, D.	Krieger	Rapp	Speaker	Dermody	Keller, W.	Petri	Wheatley
Evans, J.	Kula	Ravenstahl		DeWeese	Kessler	Phillips	White

NAYS-0

NOT VOTING-0

EXCUSED-5

Millard O'Brien, D.	Reese	Roebuck	Watson
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The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

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Mr. JOHNSON called up **HR 846, PN 3895**, entitled:

A Resolution designating June 19, 2010, as "Sickle Cell Disease Day" in Pennsylvania.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS-197

Adolph	Everett	Lentz	Readshaw
Baker	Fabrizio	Levdansky	Reed
Barbin	Fairchild	Longietti	Reichley
Barrar	Farry	Maher	Roae
Bear	Fleck	Mahoney	Rock
Belfanti	Frankel	Major	Rohrer

Benninghoff	Freeman	Manderino	Ross
Beyer	Gabig	Mann	Sabatina
Bishop	Gabler	Markosek	Sainato
Boback	Galloway	Marshall	Samuelson
Boyd	Geist	Marsico	Santarsiero
Boyle	George	Matzie	Santoni
Bradford	Gerber	McGeehan	Saylor
Brennan	Gergely	McI. Smith	Scavello
Briggs	Gibbons	Melio	Schroder
Brooks	Gillespie	Metcalfe	Seip
Brown	Gingrich	Metzgar	Shapiro
Burns	Godshall	Miccarelli	Siptroth
Buxton	Goodman	Micozzie	Smith, K.
Caltagirone	Grell	Miller	Smith, M.
Carroll	Grove	Milne	Smith, S.
Casorio	Grucela	Mirabito	Solobay
Causer	Hahn	Moul	Sonney
Christiana	Haluska	Mundy	Staback
Clymer	Hanna	Murphy	Stern
Cohen	Harhai	Murt	Stevenson
Conklin	Harhart	Mustio	Sturla
Costa, D.	Harkins	Myers	Swanger
Costa, P.	Harper	O'Brien, M.	Tallman
Cox	Harris	O'Neill	Taylor, J.
Creighton	Helm	Oberlander	Taylor, R.
Cruz	Hennessey	Oliver	Thomas
Curry	Hess	Pallone	Toepel
Cutler	Hickernell	Parker	True
Daley	Hornaman	Pashinski	Turzai
Day	Houghton	Payne	Vereb
Deasy	Hutchinson	Payton	Vitali
Delozier	Johnson	Pulakovich	Waters
DeLuca	Josephs	Perry	Wagner
Denlinger	Kauffman	Perzel	Wansacz
DePasquale	Keller, M.K.	Petrarca	Wheatley
Dermody	Keller, W.	Petri	White
DeWeese	Kessler	Phillips	Williams
DiGirolamo	Killion	Pickett	Youngblood
Donatucci	Kirkland	Preston	Yudichak
Drucker	Knowles	Pyle	
Eachus	Kortz	Quigley	
Ellis	Kotik	Quinn	McCall,
Evans, D.	Krieger	Rapp	Speaker
Evans, J.	Kula	Ravenstahl	

NAYS-0

NOT VOTING-0

EXCUSED-5

Millard O'Brien, D.	Reese	Roebuck	Watson
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The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

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Mr. PAYNE called up **HR 848, PN 3901**, entitled:

A Resolution designating June 15, 2010, as "Antique and Classic Car Day" in Pennsylvania.

On the question,
Will the House adopt the resolution?

The SPEAKER. On the resolution, the Chair recognizes the gentleman from Cambria County, Representative Haluska.

Mr. HALUSKA. Thank you, Mr. Speaker.

Representative Payne and I cochair the Motorsports Caucus. Today we have 110 vehicles sitting across in Soldiers' Grove, and if you get a break today, we would appreciate if you would go out and take a look. There are the antique cars and a lot of different things there from 1922 on up. There is also a simulator parked out behind the fountain, and you are welcome to go out and take part in that. It is a NASCAR (National Association for Stock Car Auto Racing) simulator, and it is from the Mid-Penn AAA (American Automobile Association). They also have a stock car out there that you can actually sit in and imagine yourself going around the track in it.

I will let Representative Payne talk a little bit about the Hershey museum, which helped us put this day together. But there are some very unique vehicles out there, and I just hope you get a chance at our break to take a walk over into Soldiers' Grove and take a look at them.

GUESTS INTRODUCED

The SPEAKER. On the resolution, the Chair recognizes the gentleman from Dauphin County, Representative Payne.

Mr. PAYNE. Thank you, Mr. Speaker.

If my colleagues would take a moment, we have the Hershey AACA (Antique Automobile Club of America) Museum here today. Holly is the director. Jeff is the curator. They are in the gallery. If we could have a round of applause for them? Would they please stand.

As Gary just said, if you want to see the first electric car, a car that runs on batteries, it is across the street – way ahead of our times. We have cars from the twenties, thirties, forties, fifties, and sixties. There are over 100 cars out there including old milk trucks and delivery trucks and motor homes.

It is a pleasure to work with Gary and to promote not just the motorsports but the business of the motorsports.

Again, I thank you for your positive vote on this resolution.

On the question recurring,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS–197

Adolph	Everett	Lentz	Readshaw
Baker	Fabrizio	Levdansky	Reed
Barbin	Fairchild	Longietti	Reichley
Barrar	Farry	Maher	Roae
Bear	Fleck	Mahoney	Rock
Belfanti	Frankel	Major	Rohrer
Benninghoff	Freeman	Manderino	Ross
Beyer	Gabig	Mann	Sabatina
Bishop	Gabler	Markosek	Sainato
Boback	Galloway	Marshall	Samuelson
Boyd	Geist	Marsico	Santarsiero
Boyle	George	Matzie	Santoni
Bradford	Gerber	McGeehan	Saylor
Brennan	Gergely	McI. Smith	Scavello
Briggs	Gibbons	Melio	Schroder
Brooks	Gillespie	Metcalfe	Seip
Brown	Gingrich	Metzgar	Shapiro
Burns	Godshall	Miccarelli	Siptroth
Buxton	Goodman	Micozzie	Smith, K.
Caltagirone	Grell	Miller	Smith, M.
Carroll	Grove	Milne	Smith, S.
Casorio	Grucela	Mirabito	Solobato

Causer	Hahn	Moul	Sonney
Christiana	Haluska	Mundy	Staback
Clymer	Hanna	Murphy	Stern
Cohen	Harhai	Murt	Stevenson
Conklin	Harhart	Mustio	Sturla
Costa, D.	Harkins	Myers	Swanger
Costa, P.	Harper	O'Brien, M.	Tallman
Cox	Harris	O'Neill	Taylor, J.
Creighton	Helm	Oberlander	Taylor, R.
Cruz	Hennessey	Oliver	Thomas
Curry	Hess	Pallone	Toepel
Cutler	Hickernell	Parker	True
Daley	Hornaman	Pashinski	Turzai
Day	Houghton	Payne	Vereb
Deasy	Hutchinson	Payton	Vitali
Delozier	Johnson	Peifer	Vulakovich
DeLuca	Josephs	Perry	Wagner
Denlinger	Kauffman	Perzel	Wansacz
DePasquale	Keller, M.K.	Petrarca	Waters
Dermody	Keller, W.	Petri	Wheatley
DeWeese	Kessler	Phillips	White
DiGirolamo	Killion	Pickett	Williams
Donatucci	Kirkland	Preston	Youngblood
Drucker	Knowles	Pyle	Yudichak
Eachus	Kortz	Quigley	
Ellis	Kotik	Quinn	McCall,
Evans, D.	Krieger	Rapp	Speaker
Evans, J.	Kula	Ravenstahl	

NAYS–0

NOT VOTING–0

EXCUSED–5

Millard	Reese	Roebuck	Watson
O'Brien, D.			

The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

GUESTS INTRODUCED

The SPEAKER. In the back of the House, the Chair would like to welcome the Pennsylvania State Grange: Zechariah Houser, who is the junior grange prince; Jennifer Reed, junior grange princess; Jennifer Nauss, Grange youth ambassador; Michael Snyder, Grange youth ambassador; Julie and Dustin Kunkle, Grange young couple. Accompanying them are Karen Mohn, junior director; Martha Ebersole, youth director; Carl Meiss, PR director of the Pennsylvania State Grange. They are the guests of Representative Mike Hanna, Representatives Seip, Pickett, Delozier, and Perry. Welcome to the hall of the House.

CARNEGIE MEDAL RECIPIENTS INTRODUCED

The SPEAKER. The Chair recognizes the gentleman from Luzerne County, Representative Eachus.

Mr. EACHUS. Thank you, Mr. Speaker.

Mr. Speaker, for the members of the House today, I want to take a few minutes to recognize two Pennsylvania heroes who are in the chamber today. If they would please rise and be recognized when I read their names. They are in the Speaker's well, to the left of the Speaker. John and Lawrence Kelly, would you please rise and be recognized by the House?

Mr. Speaker, these two brave men recently were honored with the Carnegie Medal for risking their lives to save a fellow citizen. John is a constituent of mine from my hometown of Drums, Pennsylvania, and his brother, Larry, is a constituent of the Speaker's from Beaver Meadows.

While ice fishing last winter on Lake Irena, a very popular spot in the Hazle Township Community Park, a friend of John and Larry's, Joe Galada, who is here with us today, fell through a spot in the ice about 250 feet from the lakeshore and could not climb out. Without regard for their own safety, the Kelly brothers took Joe's plastic sled with them and made their way across the ice toward him. The ice was cracking, as thin ice will do, and they approached from a distance, crawling on their bellies toward the hole where Joe had fallen through. John and Larry extended the sled to Joe. He grasped onto it, I am sure near a hypothermic condition, but their efforts, their efforts guaranteed that Joe was saved, and requiring many attempts, they pulled Joe from the water. Their efforts created a channel of ice for several feet that they had to pull him through.

It is clear to me that the selfless act of citizens on a dangerously cold day in the middle of a small community park meant a lot to the Galada family.

Larry and John, we cannot thank you enough for what you did. Your recognition with the Carnegie Medal is not only an honor to you and your family for what you did, but for the selfless acts of all Pennsylvanians who do those things, the brave things, each day. We wanted to make sure we properly recognized you here on the floor of the House and thank you for everything you did for the Galada family. Thank you so much.

The SPEAKER. If the Speaker may add, it certainly is an extraordinary person who risks his or her own life to save one other's life, and certainly Larry and John exemplify that, their true sacrifice of their own lives to save Joe. Joe, will you rise, please, so everyone can see who Joe is?

It was the first time ice fishing for Larry and apparently it is the last, right, Larry? But congratulations on receiving the very prestigious and renowned Carnegie Medal for your exemplary courage in saving Joe, and welcome to the hall of the House. Congratulations to both of you, and thank you, Joe, for sharing this moment with us as well.

ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE MEETING

The SPEAKER. The Chair recognizes the gentleman from Clearfield County, Representative George, for the purpose of an announcement.

Mr. GEORGE. Thank you, Mr. Speaker.

At the call of the break, I would ask the members of the Environmental Resources and Energy Committee to meet at room 39, East Wing, immediately at the call. We want to take up a motion concerning the final rulemaking on No. 2783 of the Environmental Quality Board that attends to erosion and sediment control and storm water management. Please show up immediately. It will not be long, I will guarantee you. Thank you.

The SPEAKER. The Chair thanks the gentleman.

There will be an Environmental Resources and Energy Committee meeting immediately in room 39, East Wing.

PROFESSIONAL LICENSURE COMMITTEE MEETING

The SPEAKER. The Chair recognizes the gentleman from Philadelphia County, Representative McGeehan, for the purpose of an announcement.

Mr. McGEEHAN. Thank you, Mr. Speaker.

Mr. Speaker, at the call of the break, I want to announce a meeting of the House Professional Licensure Committee. It is going to be a very brief meeting for the purpose of a rereferral of a bill. It will be held in room G-50 of the Irvis Office Building. I encourage the members to attend so that we can establish a quorum to rereferral a bill. So that will be immediately upon the break in room G-50 of the Irvis Office Building, Professional Licensure Committee. Thank you, Mr. Speaker.

The SPEAKER. The Professional Licensure Committee will meet immediately in room G-50 of the Irvis Office Building.

APPROPRIATIONS COMMITTEE MEETING

The SPEAKER. The Chair recognizes the majority leader.

The gentleman defers to the gentleman from Philadelphia County, Representative Cohen, the majority caucus chairman, for the purpose of an announcement.

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, the Appropriations Committee will meet in the majority caucus room at 12 noon. We will return to the floor at 12:30 p.m.

The SPEAKER. The Appropriations Committee will meet at 12 noon in the majority caucus room.

REPUBLICAN CAUCUS

The SPEAKER. The Chair recognizes the gentlelady from Susquehanna County, Representative Major, the minority caucus chairlady.

Ms. MAJOR. Thank you, Mr. Speaker.

I would like to call a Republican caucus at 12 noon. I would ask Republican members to please report to our caucus room at 12 noon. Thank you.

The SPEAKER. The Chair thanks the lady.

Any further announcements?

RECESS

The SPEAKER. This House stands in recess until 12:30 p.m., unless sooner recalled by the Speaker.

RECESS EXTENDED

The time of recess was extended until 12:45 p.m.; further extended until 1 p.m.; further extended until 1:15 p.m.

AFTER RECESS

The time of recess having expired, the House was called to order.

BILL REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

SB 918, PN 2065 (Amended) By Rep. FREEMAN

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, consolidating and amending the Third Class County Assessment Board Law, The Fourth to Eighth Class and Selective County Assessment Law and provisions of The County Code relating to auxiliary board of assessment appeals and assessment of signs and sign structures; providing for municipal pensions in cities of the second class; and making related repeals.

LOCAL GOVERNMENT.

BILL REPORTED FROM COMMITTEE

HB 65, PN 47 By Rep. McGEEHAN

An Act amending Title 22 (Detectives and Private Police) of the Pennsylvania Consolidated Statutes, amending the heading of Title 22 and 22 Pa.C.S. Ch. 3; codifying and making extensive revisions to The Private Detective Act of 1953; codifying the Lethal Weapons Training Act; further providing for the definition of "privately employed agents"; providing for the continuation of certain licenses; making an appropriation; and making related repeals.

PROFESSIONAL LICENSURE.

BILL REREFERRED

The SPEAKER. The Chair moves, at the request of the majority leader, that HB 65, PN 47, be rereferred to the Judiciary Committee.

On the question,
Will the House agree to the motion?
Motion was agreed to.

BILL REREPORDED FROM COMMITTEE

HB 325, PN 3888 (Amended) By Rep. D. EVANS

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, further providing for exclusions from sales tax, for discount and for exemption certificates, for incidence and rate of tax, for floor tax and for commissions on sales; providing for the taxation of tobacco products; imposing a tax on the extraction of natural gas; providing for natural gas severance registration certificate, for duties of the Department of Revenue, for tax assessments and tax liens; imposing penalties; providing for service of process, for rulemaking, for cooperation with other governments and for bonds; and making an appropriation.

APPROPRIATIONS.

The SPEAKER. The bill will go to the House supplemental calendar.

BILL REREPORDED FROM COMMITTEE

HB 2375, PN 3467 By Rep. D. EVANS

An Act amending Title 74 (Transportation) of the Pennsylvania Consolidated Statutes, proscribing indemnity agreements in motor carrier transportation contracts.

APPROPRIATIONS.

The SPEAKER. The bill will go to the House calendar.

COMMUNICATIONS

The SPEAKER. The Speaker is in receipt of the following communications, which the clerk will read.

The following communications were read:

A communication dated June 1, 2010, from the Department of Agriculture, submitted pursuant to Act 225 of 1982, as amended by Act 119 of 2008, providing a copy of its Bureau of Dog Law Enforcement annual report.

A communication dated June 15, 2010, from the Public Employee Retirement Commission, providing an actuarial note for amendment No. 07493 to HB 2497, PN 3853.

(Copies of communications are on file with the Journal clerk.)

SENATE MESSAGE

RECESS RESOLUTION FOR CONCURRENCE

The clerk of the Senate, being introduced, presented the following extract from the Journal of the Senate, which was read as follows:

In the Senate,
June 14, 2010

RESOLVED, (the House of Representatives concurring), Pursuant to Article II, Section 14 of the Pennsylvania Constitution, that when the Regular Session of the Senate recesses this week, it reconvene on Monday, June 21, 2010, unless sooner recalled by the President Pro Tempore of the Senate; and be it further

RESOLVED, Pursuant to Article II, Section 14 of the Pennsylvania Constitution, that when the Regular Session of the House of Representatives recesses this week, it reconvene on Monday, June 21, 2010, unless sooner recalled by the Speaker of the House of Representatives.

Ordered, That the clerk present the same to the House of Representatives for its concurrence.

On the question,
Will the House concur in the resolution of the Senate?
Resolution was concurred in.
Ordered, That the clerk inform the Senate accordingly.

LEAVE OF ABSENCE CANCELED

The SPEAKER. The Chair notes the presence of the gentleman from Philadelphia County, Representative Dennis O'Brien, on the House floor. His name will be added to the master roll.

CORRECTION OF THE RECORD

The SPEAKER. Returning to reports of committees, to correct the record, HB 325, PN 3888, was announced as rereported as committed. Let the record reflect that it should have been rereported as amended, rereported as amended.

CALENDAR CONTINUED

BILL ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 2497, PN 3853**, entitled:

An Act amending Titles 24 (Education) and 71 (State Government) of the Pennsylvania Consolidated Statutes, in Title 24, further providing for definitions, for contributions by the Commonwealth, for payments by employers, for actuarial cost method, for additional supplemental annuities, for further additional supplemental annuities, for supplemental annuities commencing 1994, for supplemental annuities commencing 1998, for supplemental annuities commencing 2002, for supplemental annuities commencing 2003, for administrative duties of board and for payments to school entities by Commonwealth; in Title 71, providing for definitions; further providing for rights and duties of State employees and members, for contributions by the Commonwealth and other employers, for actuarial cost method, for additional supplemental annuities, for further additional supplemental annuities, for supplemental annuities commencing 1994, for supplemental annuities commencing 1998, for supplemental annuities commencing 2002, for supplemental annuities commencing 2003, for special supplemental postretirement adjustment of 2002, for administrative duties of the board, for State accumulation account and for supplemental annuity account; and providing for recertification to the Secretary of the Budget and for holding certain public officials harmless.

On the question,

Will the House agree to the bill on second consideration?

Mr. D. EVANS offered the following amendment No. **A07493**:

Amend Bill, page 1, line 10, by striking out "and" and inserting a comma

Amend Bill, page 1, line 10, by inserting after "Commonwealth", for eligibility points for retention and reinstatement of service credits and for creditable nonschool service; providing for election to become a Class T-F member; further providing for classes of service, for eligibility for annuities, for eligibility for vesting, for member contributions for creditable school service, for contributions for purchase of credit for creditable nonschool service, for maximum single life annuity, for disability annuities, for member's options, for duties of board regarding applications and elections of members and for rights and duties of school employees and members

Amend Bill, page 1, lines 11 and 12, by striking out "RIGHTS" in line 11 and "AND DUTIES OF STATE EMPLOYEES AND MEMBERS" in line 12 and inserting

credited State service, for retention and reinstatement of service credits, for creditable non-State service and for classes of service; providing for election to become a Class A-4 member; further providing for eligibility for annuities, for eligibility for vesting, for waiver of regular member contributions and Social Security integration member contributions, for member contributions for purchase of credit for previous State service or to become a full coverage member, for contributions for the purchase of credit for creditable non-State service

Amend Bill, page 1, line 14, by inserting after "method," for maximum single life annuity, for disability annuities and for member's options; providing for payment of accumulated deductions

resulting from Class A-3 service; further providing

Amend Bill, page 1, line 20, by inserting after "board," for duties of board to advise and report to heads of departments and members, for duties of board regarding applications and elections of members, for installment payments of accumulated deductions, for rights and duties of State employees and members,

Amend Bill, page 1, line 20, by striking out "and" and inserting , for State Police Benefit Account, for Enforcement Officers' Benefit Account,

Amend Bill, page 1, line 21, by inserting after "account" and for construction of part

Amend Bill, page 1, line 22, by striking out "and" and inserting a comma

Amend Bill, page 1, line 23, by inserting after "harmless" , for construction of calculation or actuarial method and for certain operational provisions

Amend Bill, page 1, lines 26 and 27; page 2, line 1, by striking out all of said lines on said pages and inserting

Section 1. The definitions of "basic contribution rate," "class of service multiplier," "employer," "standard single life annuity," "superannuation or normal retirement age" and "vestee" in section 8102 of Title 24 of the Pennsylvania Consolidated Statutes are amended to read:

Amend Bill, page 2, by inserting between lines 6 and 7

"Basic contribution rate." For Class T-A, T-B and T-C service, the rate of 6 1/4%. For Class T-D service, the rate of 7 1/2%. For all active members on the effective date of this provision who are currently paying 5 1/4% and elect Class T-D service, the rate of 6 1/2%. For Class T-E service, the rate of 7 1/2%. For Class T-F service, the rate of 10.30%.

* * *

"Class of service multiplier."

Class of service	Multiplier
T-A	.714
T-B	.625
T-C	1.000
T-D	1.000
<u>T-E</u>	<u>1.000</u>
<u>T-F</u>	<u>1.000</u>

* * *

Amend Bill, page 2, line 14, by inserting a bracket before "State"

Amend Bill, page 2, line 14, by inserting after "School" where it occurs the second time

] College

Amend Bill, page 2, by inserting between lines 17 and 18

"Standard single life annuity." For Class T-A, T-B and T-C credited service of a member, an annuity equal to 2% of the final average salary, multiplied by the total number of years and fractional part of a year of credited service of a member. For Class T-D credited service of a member, an annuity equal to 2.5% of the final average salary, multiplied by the total number of years and fractional part of a year of credited service. For Class T-E credited service of a member, an annuity equal to 2% of the final average salary, multiplied by the total number of years and fractional part of a year of credited service of a member. For Class T-F credited service of a member, an annuity equal to 2.5% of the final average salary, multiplied by the total number of years and fractional part of a year of credited service of a member.

* * *

"Superannuation or normal retirement age."

Class of service	Age
T-A	62 or any age upon accrual of 35 eligibility points
T-B	62
T-C and T-D	62 or age 60 provided the member has at least 30 eligibility points or any age upon accrual of 35 eligibility points
<u>T-E and T-F</u>	<u>65 with accrual of at least three</u>

eligibility points or any age upon accrual of 35 eligibility points

"Vestee." A member with five or more eligibility points who has terminated school service, has left his accumulated deductions in the fund and is deferring filing of an application for receipt of an annuity. For Class T-E and Class T-F members, a member with ten or more eligibility points who has terminated school service, has left his accumulated deductions in the fund and is deferring filing of an application for receipt of an annuity.

Amend Bill, page 2, lines 18 through 20, by striking out "8326(a), 8327(a) and (c), 8328," in line 18, all of line 19 and "8348.7(f), 8502(k) and 8535(3)" in line 20 and inserting 8303(c) and 8304(a)

Amend Bill, page 2, by inserting between lines 20 and 21 § 8303. Eligibility points for retention and reinstatement of service credits.

(c) Purchase of previous creditable service.—Every active member of the system or a multiple service member who is an active member of the State Employees' Retirement System on or after the effective date of this part may purchase credit and receive eligibility points:

(1) as a member of Class T-C, Class T-E or Class T-F for previous school service or creditable nonschool service; or

(2) as a member of Class T-D for previous school service, provided the member elects to become a Class T-D member pursuant to section 8305.1 (relating to election to become a Class T-D member);

upon written agreement by the member and the board as to the manner of payment of the amount due for credit for such service; except, that any purchase for reinstatement of service credit shall be for all service previously credited.

§ 8304. Creditable nonschool service.

(a) Eligibility.—An active member or a multiple service member who is an active member of the State Employees' Retirement System shall be eligible to receive Class T-C, Class T-E or Class T-F service credit for creditable nonschool service and Class T-D, Class T-E or Class T-F service for intervening military service, provided the member becomes a Class T-D member pursuant to section 8305.1 (relating to election to become a Class T-D member) or Class T-F member pursuant to section 8305.2 (relating to election to become a Class T-F member) or 8305 (relating to classes of service), as set forth in subsection (b) provided that he is not entitled to receive, eligible to receive now or in the future, or is receiving retirement benefits for such service under a retirement system administered and wholly or partially paid for by any other governmental agency or by any private employer, or a retirement program approved by the employer in accordance with section 8301(a)(1) (relating to mandatory and optional membership), and further provided that such service is certified by the previous employer and the manner of payment of the amount due is agreed upon by the member, the employer, and the board.

Section 3. Section 8305 of Title 24 is amended by adding subsections to read:

§ 8305. Classes of service.

(d) Class T-E membership. Notwithstanding any other provision, a person who first becomes a school employee and an active member, or a person who first becomes a multiple service member who is a State employee and a member of the State Employees' Retirement System, on or after the effective date of this subsection shall be classified as a Class T-E member upon payment of regular member contributions.

(e) Class T-F membership. Notwithstanding any other provision, a person who first becomes a school employee and an active member, or a person who first becomes a multiple service member who

is a State employee and a member of the State Employees' Retirement System, on or after the effective date of this subsection, and who is eligible to become a Class T-E member, shall have the right to elect into Class T-F membership, provided the person elects to become a Class T-F member pursuant to section 8305.2 (relating to election to become a Class T-F member), upon written election filed with the board and payment of regular member contributions.

Section 4. Title 24 is amended by adding a section to read:

§ 8305.2. Election to become a Class T-F member.

(a) General rule.—A person who first becomes a school employee and an active member, or a person who first becomes a multiple service member who is a State employee and a member of the State Employees' Retirement System, on or after the effective date of this subsection and who is eligible to become a Class T-E member may elect to become a member of Class T-F.

(b) Time for making election.—A member must elect to become a Class T-F member by filing a written election with the board within 45 days of notification by the board that such member is eligible for such election.

(c) Effect of election.—An election to become a Class T-F member shall be irrevocable. A member who elects Class T-F membership shall receive Class T-F service credit on any and all future service, regardless of whether the member terminates service or has a break in service.

(d) Effect of failure to make election.—If a member fails to timely file an election to become a Class T-F member, then the member shall be enrolled as a member of Class T-E and the member shall never be able to elect Class T-F service, regardless of whether the member terminates service or has a break in service.

Section 5. Sections 8307(b), 8308, 8323(a), (c) and (c.1), 8324(a), (b), (d), (e) and (f), 8326(a), 8327(a) and (c), 8328, 8342(a), 8344(d), 8345(a), 8348.1(f), 8348.2(f), 8348.3(f), 8348.5(f), 8348.6(f), 8348.7(f) and 8502(k) of Title 24 are amended to read:

§ 8307. Eligibility for annuities.

(b) Withdrawal annuity.—A vestee in Class T-C or Class T-D with five or more eligibility points or an active or inactive Class T-C or Class T-D member who terminates school service having five or more eligibility points shall, upon filing a proper application, be entitled to receive an early annuity. A vestee in Class T-E or Class T-F with ten or more eligibility points or an active or inactive Class T-E or Class T-F member who terminates school service having ten or more eligibility points shall, upon filing a proper application, be entitled to receive an early annuity.

§ 8308. Eligibility for vesting.

Any Class T-C or Class T-D member who terminates school service with five or more eligibility points shall be entitled to vest his retirement benefits until attainment of superannuation age. Any Class T-E or Class T-F member who terminates school service with ten or more eligibility points shall be entitled to vest his retirement benefits until attainment of superannuation age.

§ 8323. Member contributions for creditable school service.

(a) Previous school service, sabbatical leave and full coverage.—The contributions to be paid by an active member or an eligible State employee for credit for reinstatement of all previously credited school service, school service not previously credited, sabbatical leave as if he had been in full-time daily attendance, or full-coverage membership shall be sufficient to provide an amount equal to the accumulated deductions which would have been standing to the credit of the member for such service had regular member contributions been made with full coverage at the rate of contribution necessary to be credited as Class T-C service [or], Class T-D service if the member is a Class T-D member, or Class T-E service if the member is a Class T-E member, or Class T-F service if the member is a Class T-F member, and had such contributions been credited with statutory interest during the period the contributions would have been made and during all periods of subsequent school and State service up to the date of purchase.

(c) Approved leave of absence other than sabbatical leave and activated military service leave.—The contributions to be paid by an active member for credit for an approved leave of absence, other than sabbatical leave and activated military service leave, shall be sufficient to transfer his membership to Class T-C or to Class T-D if the member is a Class T-D member or to Class T-E if the member is a Class T-E member or to Class T-F if the member is a Class T-F member and further to provide an annuity as a Class T-C member or Class T-D member if the member is a Class T-D member or Class T-E if the member is a Class T-E member or to Class T-F if the member is a Class T-F member for such additional credited service. Such amount shall be the sum of the amount required in accordance with the provisions of subsection (b) and an amount determined as the sum of the member's basic contribution rate and the normal contribution rate as provided in section 8328 (relating to actuarial cost method) during such period multiplied by the compensation which was received or which would have been received during such period and with statutory interest during all periods of subsequent school and State service up to the date of purchase.

(c.1) Activated military service leave.—The contributions to be paid by an active member for credit for all activated military service leave as if he had been in regular attendance in the duties for which he is employed shall be sufficient to provide an amount equal to the accumulated deductions which would have been standing to the credit of the member for such service had regular member contributions been made with full coverage at the rate of contribution necessary to be credited as Class T-C service or Class T-D service if the member is a Class T-D member or Class T-E service if the member is a Class T-E member or Class T-F if the member is a Class T-F member and had such contributions been credited with statutory interest during the period the contributions would have been made and during all periods of subsequent State and school service up to the date of purchase. In the case of activated military service leave beginning after the date of enactment of this subsection, contributions due from the member shall be made as if he is in regular attendance in the duties for which he is employed.

§ 8324. Contributions for purchase of credit for creditable nonschool service.

(a) Source of contributions.—The total contributions to purchase credit as a member of Class T-C, Class T-E or Class T-F for creditable nonschool service of an active member or an eligible State employee shall be paid either by the member, the member's previous employer, the Commonwealth, or a combination thereof, as provided by law.

(b) Nonintervening military service.—The amount due for the purchase of credit for military service other than intervening military service shall be determined by applying the member's basic contribution rate plus the normal contribution rate as provided in section 8328 (relating to actuarial cost method) at the time of entry of the member into school service subsequent to such military service to one-third of his total compensation received during the first three years of such subsequent credited school service and multiplying the product by the number of years and fractional part of a year of creditable nonintervening military service being purchased together with statutory interest during all periods of subsequent school and State service to date of purchase. Upon certification of the amount due, payment may be made in a lump sum within 90 days or in the case of an active member or an eligible State employee who is an active member of the State Employees' Retirement System it may be amortized with statutory interest through salary deductions in amounts agreed upon by the member and the board. The salary deduction amortization plans agreed to by members and the board may include a deferral of payment amounts and statutory interest until the termination of school service or State service as the board in its sole discretion decides to allow. The board may limit salary deduction amortization plans to such terms as the board in its sole discretion determines. In the case of an eligible State employee who is an active member of the State Employees' Retirement System,

Retirement System, the agreed upon salary deductions shall be remitted to the State Employees' Retirement Board, which shall certify and transfer to the board the amounts paid. Application may be filed for all such military service credit upon completion of three years of subsequent credited school service and shall be credited as Class T-C service. In the event that a Class T-E member makes a purchase of credit for such military service, then such service shall be credited as Class T-E service. In the event that a Class T-F member makes a purchase of credit for such military service, then such service shall be credited as Class T-F service.

(d) Other creditable nonschool service.—Contributions on account of Class T-C, Class T-E or Class T-F credit for creditable nonschool service other than military service shall be determined by applying the member's basic contribution rate plus the normal contribution rate as provided in section 8328 at the time of the member's entry into school service subsequent to such creditable nonschool service to his total compensation received during the first year of subsequent credited school service and multiplying the product by the number of years and fractional part of a year of creditable nonschool service being purchased together with statutory interest during all periods of subsequent school or State service to the date of purchase, except that in the case of purchase of credit for creditable nonschool service as set forth in section 8304(b)(5) (relating to creditable nonschool service) the member shall pay only the employee's share unless otherwise provided by law. Upon certification of the amount due, payment may be made in a lump sum within 90 days or in the case of an active member or an eligible State employee who is an active member of the State Employees' Retirement System it may be amortized with statutory interest through salary deductions in amounts agreed upon by the member and the board. The salary deduction amortization plans agreed to by the members and the board may include a deferral of payment amounts and statutory interest until the termination of school service or State service as the board in its sole discretion decides to allow. The board may limit salary deduction amortization plans to such terms as the board in its sole discretion determines. In the case of an eligible State employee who is an active member of the State Employees' Retirement System, the agreed upon salary deductions shall be remitted to the State Employees' Retirement Board, which shall certify and transfer to the board the amounts paid.

(e) Creditable work experience.—Contributions on account of Class T-C, Class T-E or Class T-F credit for creditable work experience pursuant to section 8304(b)(6) shall be the present value of the full actuarial cost of the increase in the projected superannuation annuity caused by the additional service credited on account of the purchase of creditable work experience. The amount paid for the purchase of credit for creditable work experience shall not be payable as a lump sum under section 8345(a)(4)(iii) (relating to member's options). Any individual eligible to receive an annuity, excluding an annuity received under the Federal Social Security Act (42 U.S.C. § 301 et seq.), in another pension system, other than a military pension system, shall not be eligible to purchase this service.

(f) Creditable maternity leave.—Contributions on account of Class T-C, Class T-E or Class T-F credit for creditable maternity leave pursuant to section 8304(b)(7) shall be determined by applying the member's basic contribution rate plus the normal contribution rate as provided in section 8328 at the time of the member's return to school service to the total compensation received during the first year of subsequent school service and multiplying the product by the number of years and fractional part of a year of creditable service being purchased, together with statutory interest during all periods of subsequent school or State service to the date of purchase. The amount paid for the purchase of credit for creditable maternity leave shall not be eligible for withdrawal as a lump sum under section 8345(a)(4)(iii).

Amend Bill, page 4, line 2, by inserting a bracket before "State"

Amend Bill, page 4, line 2, by inserting after "School"

] College

Amend Bill, page 5, line 27, by inserting after "of"

the actuarial cost method.

Amend Bill, page 13, by inserting between lines 10 and 11
 § 8342. Maximum single life annuity.

(a) General rule.—Upon termination of service, any full coverage member who is eligible to receive an annuity pursuant to the provisions of section 8307(a) or (b) (relating to eligibility for annuities) and has made an application in accordance with the provisions of section 8507(f) (relating to rights and duties of school employees and members) shall be entitled to receive a maximum single life annuity attributable to his credited service and equal to the sum of the following single life annuities beginning at the effective date of retirement and, in case the member on the effective date of retirement is under superannuation age, multiplied by a reduction factor calculated to provide benefits actuarially equivalent to an annuity starting at superannuation age: Provided however, That on or after July 1, 1976, in the case of any Class T-C, T-D, T-E or T-F member who has attained age 55 and has 25 or more eligibility points such sum of single life annuities shall be reduced by a percentage determined by multiplying the number of months, including a fraction of a month as a full month, by which the effective date of retirement precedes superannuation age by 1/4%:

(1) A standard single life annuity multiplied by the class of service multiplier and calculated on the basis of the number of years of credited school service other than concurrent service.

(2) A standard single life annuity multiplied by the class of service multiplier and calculated on the basis of the number of years of concurrent service and multiplied by the ratio of total compensation received in the school system during the period of concurrent service to the total compensation received during such period.

(3) A supplemental annuity such that the total annuity prior to any optional modification or any reduction due to retirement prior to superannuation age shall be at least \$100 for each full year of credited service.

§ 8344. Disability annuities.

(d) Withdrawal of accumulated deductions.—Upon termination of disability annuity payments in excess of an annuity calculated in accordance with section 8342, a disability annuitant who:

- (1) is a Class T-C or Class T-D member; or
- (2) is a Class T-E or Class T-F member with less than ten eligibility points

and who does not return to school service may file an application with the board for an amount equal to the accumulated deductions standing to his credit at the effective date of disability less the total payments received on account of his member's annuity.

§ 8345. Member's options.

(a) General rule.—Any Class T-C or Class T-D member who is a vestee with five or more eligibility points, any Class T-E or Class T-F member who is a vestee with ten or more eligibility points, or any other eligible member upon termination of school service who has not withdrawn his accumulated deductions as provided in section 8341 (relating to return of accumulated deductions) may apply for and elect to receive either a maximum single life annuity, as calculated in accordance with the provisions of section 8342 (relating to maximum single life annuity), or a reduced annuity certified by the actuary to be actuarially equivalent to the maximum single life annuity and in accordance with one of the following options, except that no member shall elect an annuity payable to one or more survivor annuitants other than his spouse or alternate payee of such a magnitude that the present value of the annuity payable to him for life plus any lump sum payment he may have elected to receive is less than 50% of the present value of his maximum single life annuity.

(1) Option 1.—A life annuity to the member with a guaranteed total payment equal to the present value of the maximum single life annuity on the effective date of retirement

with the provision that, if, at his death, he has received less than such present value, the unpaid balance shall be payable to his beneficiary.

(2) Option 2.—A joint and survivor annuity payable during the lifetime of the member with the full amount of such annuity payable thereafter to his survivor annuitant, if living at his death.

(3) Option 3.—A joint and fifty percent (50%) survivor annuity payable during the lifetime of the member with one-half of such annuity payable thereafter to his survivor annuitant, if living at his death.

(4) Option 4.—Some other benefit which shall be certified by the actuary to be actuarially equivalent to the maximum single life annuity, subject to the following restrictions:

(i) Any annuity shall be payable without reduction during the lifetime of the member.

(ii) The sum of all annuities payable to the designated survivor annuitants shall not be greater than one and one-half times the annuity payable to the member.

(iii) A portion of the benefit may be payable as a lump sum, except that such lump sum payment shall not exceed an amount equal to the accumulated deductions standing to the credit of the member. The balance of the present value of the maximum single life annuity adjusted in accordance with section 8342(b) shall be paid in the form of an annuity with a guaranteed total payment, a single life annuity, or a joint and survivor annuity or any combination thereof but subject to the restrictions of subparagraphs (i) and (ii) of this paragraph. This subparagraph shall not apply to a Class T-E or Class T-F member.

Amend Bill, page 17, by inserting between lines 18 and 19

Section 6. Section 8505 of Title 24 is amended by adding a subsection to read:

§ 8505. Duties of board regarding applications and elections of members.

(I) Notification of Class T-F membership.—The board shall inform any eligible school employee of the right to elect Class T-F membership.

Section 7. Sections 8507(f) and (g) and 8535(3) of Title 24 are amended to read:

§ 8507. Rights and duties of school employees and members.

(f) Termination of service.—Each member who terminates school service and who is not then a disability annuitant shall execute on or before the date of termination of service a written application, duly attested by the member or his legally constituted representative, electing to do one of the following:

(1) Withdraw his accumulated deductions.

(2) Vest his retirement rights and if he is a joint coverage member, and so desires, elect to become a full coverage member and agree to pay within 30 days of the date of termination of service the lump sum required.

(3) Receive an immediate annuity, if eligible, and may, if he is a joint coverage member, elect to become a full coverage member and agree to pay within 30 days of date of termination of service the lump sum required.

(g) Vesting of retirement rights.—If a member elects to vest his retirement rights, he shall nominate a beneficiary by written designation filed with the board and he may anytime thereafter withdraw the accumulated deductions standing to his credit or, if he has five or more eligibility points, apply for an annuity if eligible as provided in section 8307(a) or (b) (relating to eligibility for annuitants).

***		D-3	prior to January 1, 1973	3.75	
Amend Bill, page 18, by inserting between lines 4 and 5					except prior to December 1, 1974 as applied to any additional legislative compensation as an officer of the General Assembly
Section 7.1. The definitions of "class of service multiplier," "final average salary," "superannuation age" and "vestee" in section 5102 of Title 71 are amended to read:					
§ 5102. Definitions.					
The following words and phrases as used in this part, unless a different meaning is plainly required by the context, shall have the following meanings:					

"Class of service multiplier."			on and subsequent to January 1, 1973	1.731	
Class of Service	Multiplier			3.75	
A	1				
AA					
for all purposes except calculating regular member contributions on compensation paid prior to January 1, 2002	1.25				
AA					
for purposes of calculating regular member contributions on compensation paid prior to January 1, 2002	1				
<u>A-3</u>					
<u>for all purposes except the calculation of regular member contributions and contributions for creditable nonstate service</u>	1				
<u>A-3</u>					
<u>for purposes of calculating regular member contributions and contributions for creditable nonstate service</u>	1.25				
<u>A-4</u>					
<u>for all purposes except the calculation of regular member contributions</u>	1.25				
<u>A-4</u>					
<u>for purposes of calculating regular member contributions</u>	1.86				
B	.625				
C	1				
D	1.25				
D-1	prior to January 1, 1973	1.875			
D-1	on and subsequent to January 1, 1973	1.731			
D-2	prior to January 1, 1973	2.5			
D-2	on and subsequent to January 1, 1973	1.731			
		D-3	prior to January 1, 1973	3.75	
		D-3			
		D-4	for all purposes except calculating regular member contributions on compensation paid prior to July 1, 2001	1.5	
		D-4	for purposes of calculating regular member contributions on compensation paid prior to July 1, 2001	1	
		E, E-1	prior to January 1, 1973	2	
		E, E-1			
		E-2	on and subsequent to January 1, 1973	1.50	
		E-2	prior to September 1, 1973	1.5	
		E-2	on and subsequent to September 1, 1973	1.125	
		G		0.417	
		H		0.500	
		I		0.625	
		J		0.714	
		K		0.834	
		L		1.000	
		M		1.100	
		N		1.250	
		T-C (Public School Employees' Retirement Code)			
		T-E (Public School Employees' Retirement Code)		1	
		T-F (Public School Employees' Retirement Code)		1	

"Final average salary." The highest average compensation received as a member during any three nonoverlapping periods of four consecutive calendar quarters during which the member was a State employee, with the compensation for part-time service being annualized on the basis of the fractional portion of the year for which credit is received; except if the employee was not a member for three nonoverlapping periods of four consecutive calendar quarters, the total compensation received as a member, annualized in the case of part-time service, divided by the number of nonoverlapping periods of four consecutive calendar quarters of membership; in the case of a member with multiple service, the final average salary shall be determined on the basis of the compensation received by him as a State employee or as a school employee, or both; in the case of a member with Class A-3 or Class A-4 service and service in one or more other classes of service, the final average salary shall be determined on the basis of the compensation received by him in all classes of State service; and, in the case of a member who first became a member on or after January 1, 1996, the final average salary shall be determined as hereinabove provided but subject to the application of the provisions of section 5506.1(a) (relating to annual compensation limit under IRC § 401(a)(17)).

"Superannuation age." [Any] For classes of service other than Class A-3 and Class A-4, any age upon accrual of 35 eligibility points or age 60, except for a member of the General Assembly, an enforcement officer, a correction officer, a psychiatric security aide, a Delaware River Port Authority policeman or an officer of the Pennsylvania State Police, age 50, and, except for a member with Class G, Class H, Class I, Class J, Class K, Class L, Class M or Class N service, age 55 upon accrual of 20 eligibility points. For Class A-3 and Class A-4 service, any age upon accrual of 35 eligibility points or age 65, or for park rangers or capitol police officers, age 55 with 20 years of service as a park ranger or capitol police officer, except for a member of the General Assembly, an enforcement officer, a correction officer, a psychiatric security aide, a Delaware River Port Authority policeman or an officer of the Pennsylvania State Police, age 55.

"Vestee." A member with five or more eligibility points[, or] in a class of service other than Class A-3 or Class A-4 or Class T-E or Class T-F in the Public School Employees' Retirement System, a member with Class G, Class H, Class I, Class J, Class K, Class L, Class M or Class N service with five or more eligibility points, or a member with Class A-3 or Class A-4 service with ten or more eligibility points who has terminated State service and has elected to leave his total accumulated deductions in the fund and to defer receipt of an annuity.

Section 7.2. Sections 5302(e), 5303(b)(1) and 5304(a) of Title 71 are amended to read:

§ 5302. Credited State service.

(e) Cancellation of credited service.—All credited service shall be cancelled if a member withdraws his total accumulated deductions except that a member with Class A-3 or Class A-4 service credit and one or more other classes of service credit shall not have his service as a member of any classes of service other than as a member of Class A-3 or Class A-4 cancelled when the member receives a lump sum payment of accumulated deductions resulting from Class A-3 or Class A-4 service pursuant to section 5705.1 (relating to payment of accumulated deductions resulting from Class A-3 and Class A-4 service).

§ 5303. Retention and reinstatement of service credits.

(b) Eligibility points for prospective credited service.—

(1) Every active member of the system or a multiple service member who is a school employee and a member of the Public School Employees' Retirement System on or after the effective date of this part shall receive eligibility points in accordance with section 5307 for current State service, previous

State service, or creditable nonstate service upon compliance with sections 5501 (relating to regular member contributions for current service), 5504 (relating to member contributions for the purchase of credit for previous State service or to become a full coverage member), 5505 (relating to contributions for the purchase of credit for creditable nonstate service), 5505.1 (relating to additional member contributions) or 5506 (relating to incomplete payments). Subject to the limitations in sections 5306.1 (relating to election to become a Class AA member) and 5306.2 (relating to elections by members of the General Assembly), the class or classes of service in which the member may be credited for previous State service prior to the effective date of this part shall be the class or classes in which he was or could have at any time elected to be credited for such service, except that a State employee who first becomes a member of the system on or after January 1, 2011, or on or after December 1, 2010, as a member of the General Assembly and:

(i) is credited with Class A-3 service for such membership, shall be credited only with Class A-3 service for previous State service performed before January 1, 2011, that was not previously credited in the system; or

(ii) is credited with Class A-4 service for such membership, shall be credited only with Class A-3 service for previous State service performed before January 1, 2011, that was not previously credited in the system. The class of service in which a member shall be credited for service subsequent to the effective date of this part shall be determined in accordance with section 5306 (relating to classes of service).

§ 5304. Creditable nonstate service.

(a) Eligibility.—

(1) An active member who first becomes an active member before January 1, 2011, or before December 1, 2010, as a member of the General Assembly, or a multiple service member who first becomes an active member before January 1, 2011, or before December 1, 2010, as a member of the General Assembly, and who is a school employee and an active member of the Public School Employees' Retirement System shall be eligible for Class A service credit for creditable nonstate service as set forth in subsections (b) and (c) except that intervening military service shall be credited in the class of service for which the member was eligible at the time of entering into military service and for which he makes the required contributions and except that a multiple service member who is a school employee and an active member of the Public School Employees' Retirement System shall not be eligible to purchase service credit for creditable nonstate service set forth in subsection (c)(5).

(2) An active member who first becomes an active member on or after January 1, 2011, or on or after December 1, 2010, as a member of the General Assembly, or a multiple service member who first becomes an active member on or after January 1, 2011, or on or after December 1, 2010, as a member of the General Assembly, and who is a school employee and an active member of the Public School Employees' Retirement System shall be eligible for Class A-3 service credit for creditable nonstate service as set forth in subsections (b) and (c) except that intervening military service shall be credited in the class of service for which the member was eligible at the time of entering into military service and for which he makes the required contributions and except that a multiple service member who is a school employee and an active member of the Public School Employees' Retirement System shall not be eligible to purchase service credit for creditable nonstate service set forth in subsection (c)(5).

Section 7.3. Section 5306(a), (a.1)(1), (2), (5) and (6) and (a.2)

of Title 71 are amended and the section is amended by adding a subsection to read:

§ 5306. Classes of service.

(a) Class A and Class A-3 membership.—

(1) A State employee who is a member of Class A on the effective date of this part or who first becomes a member of the system subsequent to the effective date of this part and before January 1, 2011, or before December 1, 2010, as a member of the General Assembly, shall be classified as a Class A member and receive credit for Class A service upon payment of regular and additional member contributions for Class A service, provided that the State employee does not become a member of Class AA pursuant to subsection (a.1) or a member of Class D-4 pursuant to subsection (a.2).

(2) A State employee who first becomes a member of the system on or after January 1, 2011, or on or after December 1, 2010, as a member of the General Assembly, shall be classified as a Class A-3 member and receive credit for Class A-3 service upon payment of regular member contributions for Class A-3 service provided that the State employee does not become a member of Class A-4 pursuant to subsection (a.3), except that a member of the judiciary shall be classified as a member of such other class of service for which the member of the judiciary is eligible, shall elect, and make regular member contributions.

(a.1) Class AA membership.—

(1) A person who becomes a State employee and an active member of the system after June 30, 2001, and who first became an active member before January 1, 2011, or before December 1, 2010, as a member of the General Assembly, and who is not a State police officer and not employed in a position for which a class of service other than Class A is credited or could be elected shall be classified as a Class AA member and receive credit for Class AA State service upon payment of regular member contributions for Class AA service and, subject to the limitations contained in paragraph (7), if previously a member of Class A or previously employed in a position for which Class A service could have been earned, shall have all Class A State service (other than State service performed as a State police officer or for which a class of service other than Class A was earned or could have been elected) classified as Class AA service.

(2) A person who is a State employee on June 30, 2001, and July 1, 2001, but is not an active member of the system because membership in the system is optional or prohibited pursuant to section 5301 (relating to mandatory and optional membership) and who first becomes an active member after June 30, 2001, and before January 1, 2011, or before December 1, 2010, as a member of the General Assembly, and who is not a State police officer and not employed in a position for which a class of service other than Class A is credited or could be elected shall be classified as a Class AA member and receive credit for Class AA State service upon payment of regular member contributions for Class AA service and, subject to the limitations contained in paragraph (7), if previously a member of Class A or previously employed in a position for which Class A service could have been earned, shall have all Class A State service (other than State service performed as a State police officer or for which a class of service other than Class A was earned or could have been elected) classified as Class AA service.

* * *

(5) A former State employee who first becomes a member before January 1, 2011, or before December 1, 2010, as a member of the General Assembly, other than a former State employee who was a State police officer on or after July 1, 1989, who is a school employee and who on or after July 1, 2001, becomes a multiple service member, subject to the limitations contained in paragraph (7), shall receive Class AA service credit for all Class A State service other than State service performed as

a State employee in a position in which the former State employee could have elected a class of service other than Class A.

(6) A State employee who after June 30, 2001, becomes a State police officer or who is employed in a position in which the member could elect membership in a class of service other than Class AA or Class D-4 shall retain any Class AA service credited prior to becoming a State police officer or being so employed but shall be ineligible to receive Class AA credit thereafter and instead shall receive Class A credit for service as a member of the judiciary or if he first became a member before January 1, 2011, or December 1, 2010, as a member of the General Assembly, or Class A-3 credit for service other than as a member of the judiciary and he first became a member on or after January 1, 2011, or December 1, 2010, as a member of the General Assembly, unless a class of membership other than Class A is elected.

* * *

(a.2) Class of membership for members of the General Assembly.—

(1) A person who:

(i) becomes a member of the General Assembly and an active member of the system after June 30, 2001, and before December 1, 2010; or

(ii) is a member of the General Assembly on July 1, 2001, but is not an active member of the system because membership in the system is optional pursuant to section 5301 and who becomes an active member after June 30, 2001, and before December 1, 2010;

and who was not a State police officer on or after July 1, 1989, shall be classified as a Class D-4 member and receive credit as a Class D-4 member for all State service as a member of the General Assembly upon payment of regular member contributions for Class D-4 service and, subject to the limitations contained in subsection (a.1)(7), if previously a member of Class A or employed in a position for which Class A service could have been earned, shall receive Class AA service credit for all Class A State service, other than State service performed as a State police officer or for which a class of service other than Class A or Class D-4 was or could have been elected or credited.

(2) Provided an election to become a Class D-4 member is made pursuant to section 5306.2 (relating to elections by members of the General Assembly), a State employee who was not a State police officer on or after July 1, 1989, who on July 1, 2001, is a member of the General Assembly and an active member of the system and not a member of Class D-3 shall be classified as a Class D-4 member and receive credit as a Class D-4 member for all State service performed as a member of the General Assembly not credited as another class other than Class A upon payment of regular member contributions for Class D-4 service and, subject to the limitations contained in paragraph (a.1)(7), shall receive Class AA service credit for all Class A State service, other than State service performed as a State police officer or as a State employee in a position in which the member could have elected a class of service other than Class A, performed before July 1, 2001.

(3) A member of the General Assembly who after June 30, 2001, becomes a State police officer shall retain any Class AA service or Class D-4 service credited prior to becoming a State police officer or being so employed but shall be ineligible to receive Class AA or Class D-4 credit thereafter and instead shall receive Class A credit or Class A-3 credit if he first becomes a member of the system on or after January 1, 2011.

(4) Notwithstanding the provisions of this subsection, no service as a member of the General Assembly performed before December 1, 2010, that is not credited as Class D-4 service on November 30, 2010, shall be credited as Class D-4 service, unless such service was previously credited in the system as

Class D-4 service and the member withdrew his total accumulated deductions as provided in section 5311 (relating to eligibility for refunds) or 5701 (relating to return of total accumulated deductions). No service as a member of the General Assembly performed on or after December 1, 2010, shall be credited as Class D-4 service unless the member previously was credited with Class D-4 service credits.

(a.3) Class A-3 membership.—Provided that an election to become a Class A-4 member is made pursuant to section 5306.3 (relating to election to become a Class A-4 member), a State employee who otherwise would be a member of Class A-3 shall be classified as a Class A-4 member and receive credit for all creditable State service performed after the effective date of membership in the system, except as a member of the judiciary, upon payment of regular member contributions for Class A-4 service.

Section 7.4. Title 71 is amended by adding a section to read:

§ 5306.3. Election to become a class A-4 member.

(a) General rule.—A person who otherwise is eligible for Class A-3 membership who has not previously elected or declined to elect Class A-4 membership may elect to become a member of Class A-4.

(b) Time for making election.—The election to become a Class A-4 member must be made by the member filing written notice with the board in a form and manner determined by the board no later than 45 days after notice from the board of the member's eligibility to elect Class A-4 membership.

(c) Effect of election.—An election to become a Class A-4 member shall be irrevocable and shall become effective on the effective date of membership in the system and shall remain in effect for all future creditable State service, other than service performed as a member of the judiciary. Payment of regular member contributions for Class A-4 State service performed prior to the election of Class A-4 service shall be made in a form, manner and time determined by the board. Upon termination and subsequent reemployment, a member who elected Class A-4 membership shall be credited as a Class A-4 member for creditable State service performed after reemployment, except as a member of the judiciary, regardless of termination of employment, termination of membership by withdrawal of accumulated deductions or status as an annuitant, vestee or inactive member after the termination of service.

(d) Effect of failure to make election.—Failure to elect to become a Class A-4 member within the election period set forth in subsection (b) shall result in all of the member's State service, other than service performed as a member of the judiciary, being credited as Class A-3 service and not subject to further election or crediting as Class A-4 service. Upon termination and subsequent employment, a member who failed to elect to become a Class A-4 member shall not be eligible to make another election to become a Class A-4 member for either past or future State service.

Section 7.5. Sections 5308(b) and 5309 of Title 71 are amended to read:

§ 5308. Eligibility for annuities.

(b) Withdrawal annuity.—

(1) Any vestee or any active member or inactive member on leave without pay who terminates State service having five or more eligibility points and who does not have Class A-3 or Class A-4 service credit or Class T-E or Class T-F service credit in the Public School Employees' Retirement System, or who has Class G, Class H, Class I, Class J, Class K, Class L, Class M or Class N service and terminates State service having five or more eligibility points, upon compliance with section 5907(f), (g) or (h) shall be entitled to receive an annuity.

(2) Any vestee, active member or inactive member on leave without pay who has Class A-3 or Class A-4 service credit or Class T-E or Class T-F service credit in the Public School Employees' Retirement System who terminates State service having ten or more eligibility points, upon compliance with

section 5907(f), (g) or (h), shall be entitled to receive an annuity.

(3) Any vestee, active member or inactive member on leave without pay who has either Class A-3 or Class A-4 service credit or Class T-E or Class T-F service credit in the Public School Employees' Retirement System and also has service credited in the system in one or more other classes of service who has five or more, but fewer than ten, eligibility points, upon compliance with section 5907(f), (g) or (h) shall be eligible to receive an annuity calculated on his service credited in classes of service other than Class A-3 or Class A-4, provided that the member has five or more eligibility points resulting from service in classes other than Class A-3 or Class A-4 or Class T-E or Class T-F service in the Public School Employees' Retirement System.

§ 5309. Eligibility for vesting.

Any member who:

(1) Does not have Class A-3 or Class A-4 service credit or Class T-E or Class T-F service credit in the Public School Employees' Retirement System and terminates State service with five or more eligibility points, or any member with Class G, Class H, Class I, Class J, Class K, Class L, Class M or Class N service with five or more eligibility points, shall be eligible until attainment of superannuation age to vest his retirement benefits.

(2) Has Class A-3 or Class A-4 service credit or Class T-E or Class T-F service credit in the Public School Employees' Retirement System and terminates State service with ten or more eligibility points shall be eligible until attainment of superannuation age to vest his retirement benefits.

(3) Has either Class A-3 or Class A-4 service credit or Class T-E or Class T-F service credit in the Public School Employees' Retirement System, also has service credited in the system in one or more other classes of service and has five or more, but fewer than ten, eligibility points shall be eligible until the attainment of superannuation age to vest his retirement benefits calculated on his service credited in classes of service other than Class A-3 or Class A-4 and to be credited with statutory interest on total accumulated deductions, regardless of whether or not any part of his accumulated deductions are a result of Class A-3 or Class A-4 service credit.

Amend Bill, page 18, line 5, by striking out "3" and inserting

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Amend Bill, page 18, lines 24 through 26, by striking out all of said lines and inserting

Section 9. Sections 5502.1, 5504(a), 5505(b) and (d), 5507, 5508, 5702(a)(4) and (6), 5704(e) and 5705(a) of Title 71 are amended to read:

§ 5502.1. Waiver of regular member contributions and Social Security integration member contributions.

(a) General rule.—Notwithstanding the provisions of sections 5501 (relating to regular member contributions for current service) and 5502 (relating to Social Security integration member contributions), no regular member contributions or Social Security integration member contributions shall be made by an active member for the period from July 1 to the following June 30 if the maximum single life annuity to which the member would have been entitled to receive had the member retired with an effective date of retirement on the preceding January 1 is greater than 110% of the highest calendar year compensation of the member, provided the member files a written election as prescribed by the board.

(b) Applicability.—This section shall not apply to any member who has Class A-3 or Class A-4 service credit.

§ 5504. Member contributions for the purchase of credit for previous State service or to become a full coverage member.

(a) Amount of contributions for service in other than Class G through N.—

(1) The contributions to be paid by an active member or eligible school employee for credit for total previous State

service other than service in Class G, Class H, Class I, Class J, Class K, Class L, Class M and Class N or to become a full coverage member shall be sufficient to provide an amount equal to the regular and additional accumulated deductions which would have been standing to the credit of the member for such service had regular and additional member contributions been made with full coverage in the class of service and at the rate of contribution applicable during such period of previous service and had his regular and additional accumulated deductions been credited with statutory interest during all periods of subsequent State and school service up to the date of purchase.

(2) Notwithstanding paragraph (1), members with Class A-3 State service shall make contributions and receive credit as if the previous State service was Class A-3 service, and members with Class A-4 State service shall make contributions and receive credit as if the previous State service was Class A-4 service, even if it would have been credited as a different class of service had the State employee been a member of the system at the time the service was performed unless it was mandatory that the State employee be an active member of the system and the previous State service is being credited as the result of a mandatory active membership requirement.

§ 5505. Contributions for the purchase of credit for creditable nonstate service.

(b) Nonintervening military service.—

(1) The amount due for the purchase of credit for military service other than intervening military service shall be determined by applying the product of the member's basic contribution rate and the class of service multiplier applicable to contributions for the class of service to which the military service will be credited, the additional contribution rate plus the Commonwealth normal contribution rate for active members at the time of entry, subsequent to such military service, of the member into State service to his average annual rate of compensation over the first three years of such subsequent State service and multiplying the result by the number of years and fractional part of a year of creditable nonintervening military service being purchased together with statutory interest during all periods of subsequent State and school service to date of purchase. Upon application for credit for such service, payment shall be made in a lump sum within 30 days or in the case of an active member or eligible school employee who is an active member of the Public School Employees' Retirement System it may be amortized with statutory interest through salary deductions in amounts agreed upon by the member and the board. The salary deduction amortization plans agreed to by members and the board may include a deferral of payment amounts and statutory interest until the termination of school service or State service as the board in its sole discretion decides to allow. The board may limit salary deduction amortization plans to such terms as the board in its sole discretion determines. In the case of an eligible school employee who is an active member of the Public School Employees' Retirement System, the agreed upon salary deductions shall be remitted to the Public School Employees' Retirement Board, which shall certify and transfer to the board the amounts paid. Application may be filed for all such military service credit upon completion of three years of subsequent State service and shall be credited as Class A-3 service for State employees who first became members of the system on or after January 1, 2011, or on or after December 1, 2010, as a member of the General Assembly, and as Class A service for all other members.

(2) Applicants may purchase credit as follows:

- (i) one purchase of the total amount of creditable nonintervening military service; or
- (ii) one purchase per 12-month period of a

portion of creditable nonintervening military service. The amount of each purchase shall be not less than one year of creditable nonintervening military service.

(d) Nonmilitary and nonmagisterial service.—Contributions on account of credit for creditable nonstate service other than military and magisterial service shall be determined by applying the product of the member's basic contribution rate and the class of service multiplier applicable to contributions for the class of service to which such nonstate service will be credited, the additional contribution rate plus the Commonwealth normal contribution rate for active members at the time of entry subsequent to such creditable nonstate service of the member into State service to his compensation at the time of entry into State service and multiplying the result by the number of years and fractional part of a year of creditable nonstate service being purchased together with statutory interest during all periods of subsequent State and school service to the date of purchase. Upon application for credit for such service payment shall be made in a lump sum within 30 days or in the case of an active member or eligible school employee who is an active member of the Public School Employees' Retirement System it may be amortized with statutory interest through salary deductions in amounts agreed upon by the member and the board. The salary deduction amortization plans agreed to by members and the board may include a deferral of payment amounts and statutory interest until the termination of school service or State service as the board in its sole discretion decides to allow. The board may limit salary deduction amortization plans to such terms as the board in its sole discretion determines. In the case of an eligible school employee who is an active member of the Public School Employees' Retirement System, the agreed upon salary deduction shall be remitted to the Public School Employees' Retirement Board, which shall certify and transfer to the board the amounts paid.

Amend Bill, page 30, by inserting between lines 4 and 5

§ 5702. Maximum single life annuity.

(a) General rule.—Any full coverage member who is eligible to receive an annuity pursuant to the provisions of section 5308(a) or (b) (relating to eligibility for annuities) who terminates State service, or if a multiple service member who is a school employee who is an active member of the Public School Employees' Retirement System who terminates school service, before attaining age 70 shall be entitled to receive a maximum single life annuity attributable to his credited service and equal to the sum of the following single life annuities beginning at the effective date of retirement:

(4) If eligible, a single life annuity which is actuarially equivalent to the amount by which his regular and additional accumulated deductions attributable to any credited service other than as a member of Class C are greater than one-half of the actuarially equivalent value on the effective date of retirement of the annuity as provided in paragraph (1) attributable to service other than Class C for which regular or joint coverage member contributions were made. This paragraph shall not apply to any member with State service credited as Class A-3 or Class A-4.

(6) If eligible, a single life annuity sufficient together with the annuity provided for in paragraph (1) as a Class A [and], Class AA, Class A-3 and Class A-4 member and the highest annuity provided for in paragraph (2) to which he is entitled, or at his option could have been entitled, to produce that percentage of a standard single life annuity adjusted by the application of the class of service multiplier for Class A, Class AA, Class A-3 or Class A-4 as set forth in paragraph (1) in the case where any service is credited as a member of Class A, Class AA, Class A-3 or Class A-4 on the effective date of retirement as determined by his total years of credited service as a member of Class A [and], Class AA, Class A-3 and Class A-4 and by the following table:

Total Years of Credited Service as a Member of Class A [and] ₂ Class AA, <u>Class A-3 and Class A-4</u>	Percentage of Standard Single Life Annuity <u>Adjusted for Class A, Class AA,</u> <u>Class A-3 and Class A-4</u> <u>Class of Service</u> <u>Multippliers</u>
35-40	100%
41	102%
42	104%
43	106%
44	108%
45 or more	110%

§ 5704. Disability annuities.

(e) Termination of State service.—Upon termination of disability annuity payments in excess of an annuity calculated in accordance with section 5702, a disability annuitant who:

(1) does not have Class A-3 or Class A-4 service credit;

or

(2) has Class A-3 or Class A-4 service credit and fewer than ten eligibility points;

and who does not return to State service may file an application with the board for an amount equal to the excess, if any, of the sum of the regular and additional accumulated deductions standing to his credit at the effective date of disability over one-third of the total disability annuity payments received. If the annuitant on the date of termination of service was eligible for an annuity as provided in section [5308(b)] 5308(a) or (b) (relating to eligibility for annuities), he may file an application with the board for an election of an optional modification of his annuity.

§ 5705. Member's options.

(a) General rule.—Any special vestee who has attained superannuation age, any vestee who does not have Class A-3 or Class A-4 service credit having five or more eligibility points for service other than Class T-E or Class T-F service in the Public School Employees' Retirement System, or vestee who has Class A-3 or Class A-4 service credit having ten or more eligibility points, any member with Class G, Class H, Class I, Class J, Class K, Class L, Class M or Class N service having five or more eligibility points or any other eligible member upon termination of State service who has not withdrawn his total accumulated deductions as provided in section 5701 (relating to return of total accumulated deductions) may apply for and elect to receive either a maximum single life annuity, as calculated in accordance with the provisions of section 5702 (relating to maximum single life annuity), or a reduced annuity certified by the actuary to be actuarially equivalent to the maximum single life annuity and in accordance with one of the following options; except that no member shall elect an annuity payable to one or more survivor annuitants other than his spouse or alternate payee of such a magnitude that the present value of the annuity payable to him for life plus any lump sum payment he may have elected to receive is less than 50% of the present value of his maximum single life annuity:

(1) Option 1.—A life annuity to the member with a guaranteed total payment equal to the present value of the maximum single life annuity on the effective date of retirement with the provision that, if, at his death, he has received less than such present value, the unpaid balance shall be payable to his beneficiary.

(2) Option 2.—A joint and survivor annuity payable during the lifetime of the member with the full amount of such

annuity payable thereafter to his survivor annuitant, if living at his death.

(3) Option 3.—A joint and fifty percent (50%) survivor annuity payable during the lifetime of the member with one-half of such annuity payable thereafter to his survivor annuitant, if living at his death.

(4) Option 4.—Some other benefit which shall be certified by the actuary to be actuarially equivalent to the maximum single life annuity, subject to the following restrictions:

(i) any annuity shall be payable without reduction during the lifetime of the member;

(ii) the sum of all annuities payable to the designated survivor annuitants shall not be greater than one and one-half times the annuity payable to the member; and

(iii) a portion of the benefit may be payable as a lump sum, except that such lump sum payment shall not exceed an amount equal to the total accumulated deductions standing to the credit of the member that are not the result of contributions and statutory interest made or credited as a result of Class A-3 or Class A-4 service. The balance of the present value of the maximum single life annuity adjusted in accordance with section 5702(b) shall be paid in the form of an annuity with a guaranteed total payment, a single life annuity, or a joint and survivor annuity or any combination thereof but subject to the restrictions of subparagraphs (i) and (ii) under this option.

Section 10. Title 71 is amended by adding a section to read:

§ 5705.1. Payment of accumulated deductions resulting from Class A-3 and Class A-4 service.

Any superannuation or withdrawal annuitant who:

(1) has Class A-3 or Class A-4 service credit;

(2) has service credited in one or more classes of service; and

(3) because he has five or more, but fewer than ten, eligibility points is not eligible to receive an annuity on his Class A-3 or Class A-4 service

shall receive in a lump sum at the time of his retirement, in addition to any other annuity or lump sum payment which he may elect, his accumulated deductions resulting from his Class A-3 or Class A-4 service credit. Payment of these accumulated deductions resulting from Class A-3 or Class A-4 service credit shall not be eligible for installment payments pursuant to section 5905.1 (relating to installment payments of accumulated deductions) but shall be considered a lump sum payment for purposes of section 5905.1(d).

Section 11. Sections 5708.1(f), 5708.2(f), 5708.3(f), 5708.5(f), 5708.6(f), 5708.7(f), 5708.8(g), 5902(k), 5903(c), 5905(a), 5905.1(d), 5907(c), 5934, 5936(b), 5937(b), 5938 and 5955 of Title 71 are amended to read:

Amend Bill, page 34, by inserting between lines 22 and 23

§ 5903. Duties of the board to advise and report to heads of departments and members.

(c) Purchase of credit and full coverage membership certifications.—Upon receipt of an application from an active member or eligible school employee to purchase credit for previous State or creditable nonstate service, an election for membership in a specific class of service, or an election to become a full coverage member, the board shall determine and certify to the member the amount required to be paid by the member. When necessary, the board shall certify to the previous employer the amount due in accordance with sections 5504 (relating to member contributions for the purchase of credit for previous State service or to become a full coverage member) and 5505 (relating to contributions for the purchase of credit for creditable nonstate service).

§ 5905. Duties of the board regarding applications and elections of members.

(a) Statement to new members.—As soon as practicable after each member shall have become an active member in the system, the board shall issue to the member notice of any election of class of service membership he may be eligible to make, a statement certifying his class of service, his member contribution rate, and the aggregate length of total previous State service and creditable nonstate service for which he may receive credit.

§ 5905.1. Installment payments of accumulated deductions.

(d) Statutory interest.—Any lump sum, including a lump sum payable pursuant to section 5705.1 (relating to payment of accumulated deductions resulting from Class A-3 and Class A-4 service), or installment payable shall include statutory interest credited to the date of payment, except in the case of a member, other than a vestee or special vestee, who has not filed his application prior to 90 days following his termination of service.

Amend Bill, page 36, by inserting between lines 13 and 14

§ 5936. State Police benefit account.

(b) Transfers from account.—Should the said annuitant be subsequently restored to active service, the present value of the member's annuity at the time of reentry into State service shall be transferred from the State Police benefit account and placed to his individual credit in the members' savings account. In addition, the actuarial reserve for his annuity calculated as if he had been a member of Class A if he has Class A or Class C service credited; as if he had been a member of Class A-3 if the annuitant has Class A-3 State service credited; or as if he had been a member of Class A-4 if the annuitant has Class A-4 service credited, less the amount transferred to the members' savings account shall be transferred from the State Police benefit account to the State accumulation account. Upon subsequent retirement other than as an officer of the Pennsylvania State Police the actuarial reserve remaining in the State Police benefit account shall be transferred to the appropriate reserve account.

§ 5937. Enforcement officers' benefit account.

(b) Transfers from account.—Should the said annuitant be subsequently restored to active service, the present value of the member's annuity at the time of reentry into State service shall be transferred from the enforcement officers' benefit account and placed to his individual credit in the members' savings account. In addition, the actuarial reserve for his annuity calculated as if he had been a member of Class A if the annuitant does not have any Class AA, Class A-3 or Class A-4 service credited [and calculated]; as if he had been a member of Class AA if the annuitant does have Class AA service credited; as if he had been a member of Class A-3 if the annuitant has Class A-3 State service credited; or as if he had been a member of Class A-4 if the annuitant has Class A-4 service credited, less the amount transferred to the members' savings account shall be transferred from the enforcement officers' benefit account to the State accumulation account. Upon subsequent retirement other than as an enforcement officer the actuarial reserve remaining in the enforcement officers' benefit account shall be transferred to the appropriate reserve account.

Amend Bill, page 37, by inserting between lines 10 and 11

§ 5955. Construction of part.

Regardless of any other provision of law, pension rights of State employees shall be determined solely by this part or any amendment thereto, and no collective bargaining agreement nor any arbitration award between the Commonwealth and its employees or their collective bargaining representatives shall be construed to change any of the provisions herein, to require the board to administer pension or retirement benefits not set forth in this part, or otherwise require action by any other government body pertaining to pension or retirement benefits or rights of State employees. Notwithstanding the foregoing,

any pension or retirement benefits or rights previously so established by or as a result of an arbitration award shall remain in effect after the expiration of the current collective bargaining agreement between the State employees so affected and the Commonwealth until the expiration of each of the collective bargaining agreements in effect on January 1, 2011, at which time the classes of membership and resulting member contribution rates, eligibility for vesting, withdrawal and superannuation annuities, optional modification of annuities and other terms and conditions related to class of membership shall be as determined by this part for employees covered by those and successor collective bargaining agreements. For purposes of administering this part, for those State employees who are members of each such collective bargaining unit, the date January 1, 2011, contained in this part, except in this section, shall be replaced with the date of the day immediately following the expiration of each such collective bargaining agreement. The provisions of this part insofar as they are the same as those of existing law are intended as a continuation of such laws and not as new enactments. The provisions of this part shall not affect any act done, liability incurred, right accrued or vested, or any suit or prosecution pending or to be instituted to enforce any right or penalty or to punish any offense under the authority of any repealed laws.

Amend Bill, page 37, line 11, by striking out "5" and inserting
12

Amend Bill, page 37, line 21, by striking out "6" and inserting
13

Amend Bill, page 37, line 23, by striking out "Notwithstanding" and inserting

Within 15 days of the later of:

(i) the effective date of this section; or

(ii) the date of the passage of this Commonwealth's budget for fiscal year 2010-2011, the Secretary of the Budget shall certify to the Public School Employees' Retirement Board the amount of money appropriated for public school employees' retirement.

Notwithstanding

Amend Bill, page 37, line 27, by striking out "this act," and inserting
the Secretary of the Budget's certification to the Public School Employees' Retirement Board of the amount of money appropriated for public school employees' retirement, the

Amend Bill, page 37, line 29, by inserting after "act."

The recertification rate shall be not less than 5% nor more than 7.58%, plus the premium assistance contribution rate.

Amend Bill, page 37, line 30, by inserting after "purposes."

This recertified rate shall not affect the application of the collared contribution rate as set forth in 24 Pa.C.S. § 8328(g).

Amend Bill, page 38, line 4, by inserting after "Budget" and heads of departments

Amend Bill, page 38, line 5, by striking out "act" and inserting section

Amend Bill, page 38, line 9, by striking out "7" and inserting
14

Amend Bill, page 39, line 8, by striking out "8" and inserting
15

Amend Bill, page 39, line 16, by striking out "enactment" and inserting
effective date

Amend Bill, page 39, line 16, by striking out "act" and inserting section

Amend Bill, page 39, line 22, by striking out "enactment of this act" and inserting
effective date of this section

Amend Bill, page 39, line 23, by striking out all of said line and inserting
Section 16. Nothing in this act shall be deemed to permit the restoration of service credit or retirement benefits which were the

subject of an order of forfeiture pursuant to the act of July 8, 1978 (P.L.752, No.140), known as the Public Employee Pension Forfeiture Act, or subject to section 16 of Article V of the Constitution of Pennsylvania or 42 Pa.C.S. § 3352.

Section 17. Nothing in this act shall be construed or deemed to imply that any interpretation or application of the provisions of 24 Pa.C.S. Pt. IV or benefits available to members of the Public School Employees' Retirement System was not in accordance with the provisions of 24 Pa.C.S. Pt. IV or other applicable law prior to the effective date of this section. Nothing in this act shall be construed to grant to or deemed to imply that any current or former school employees on the effective date of this section possessed any contractual rights, either expressed or implied, or any other constitutionally protected rights, in the terms and conditions of the Public School Employees' Retirement System or other pension or retirement benefits as a school employee, including, but not limited to, benefits, option rights or privileges established by 24 Pa.C.S. Pt. IV.

Section 18. This act shall be construed and administered in such a manner that the Public School Employees' Retirement System will satisfy the requirements necessary to qualify as a qualified pension plan under section 401(a) and other applicable provisions of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.). The rules, regulations and procedures adopted and promulgated by the Public School Employees' Retirement Board under 24 Pa.C.S. § 8502(h) may include those necessary to accomplish the purpose of this section.

Section 19. (a) Nothing in this act which amends or supplements provisions of 24 Pa.C.S. Pt. IV shall create in any member of the system or in any other person claiming an interest in the account of any such member a contractual right, either express or implied, in relation to requirements for qualification of the Public School Employees' Retirement System as a qualified pension plan under the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 401(a)) nor any construction of 24 Pa.C.S. Pt. IV, as so amended or supplemented, or any rules or regulations adopted under 24 Pa.C.S. Pt. IV. The provisions of 24 Pa.C.S. Pt. IV shall remain subject to the Internal Revenue Code of 1986, and the General Assembly reserves to itself such further exercise of its legislative power to amend or supplement such provisions as may from time to time be required in order to maintain the qualification of such system as a qualified pension plan under section 401(a) and other applicable provisions of the Internal Revenue Code of 1986.

(b) References in this act to the Internal Revenue Code of 1986, including for this purpose administrative regulations promulgated thereunder, are intended to include such laws and regulations in effect on the effective date of this section and as they may hereafter be amended or supplemented or supplanted by successor provisions.

Section 20. No school employee otherwise a member of, eligible to be a member of, or having school or nonschool service credited in a class of service other than Class T-E or Class T-F may cancel, decline or waive membership in such other class of service in order to obtain Class T-E or Class T-F service credit, become a member of Class T-E or Class T-F or elect Class T-E or Class T-F membership.

Section 21. Notwithstanding any other provision of law, any change in accrued liability of the Public School Employees' Retirement System created by this act shall be funded as a level percentage of compensation over a period of 30 years beginning July 1, 2012, subject to any limits imposed on employer contributions to the Public School Employees' Retirement System. For purposes of 24 Pa.C.S. §§ 8321, 8326 and 8328, such changes shall not be considered to be costs added by legislation.

Section 22. Notwithstanding any regulation promulgated by the Public School Employees' Retirement Board, application or interpretation of 24 Pa.C.S. Pt. IV, or administrative practice to the contrary, a member's eligibility deriving from Class T-E or Class T-F service credit for a superannuation annuity or other rights and benefits based upon attaining superannuation age shall require the actual accrual of 35 eligibility points.

Section 23. Nothing in this act shall be construed or deemed to imply that any interpretation or application of the provisions of 71 Pa.C.S. Pt. XXV or benefits available to members of the State Employees' Retirement System was not in accordance with the provisions of 71 Pa.C.S. Pt. XXV or other applicable law prior to the effective date of this section. Nothing in this act shall be construed to grant to or deemed to imply that any current or former State employees on the effective date of this section possessed any contractual rights, either expressed or implied, or any other constitutionally protected rights, in the terms and conditions of the State Employees' Retirement System or other pension or retirement benefits as a State employee, including, but not limited to, benefits, options, rights or privileges established by 71 Pa.C.S. Pt. XXV.

Section 24. This act shall be construed and administered in such a manner that the State Employees' Retirement System will satisfy the requirements necessary to qualify as a qualified pension plan under section 401(a) and other applicable provisions of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.). The rules, regulations and procedures adopted and promulgated by the State Employees' Retirement Board under 71 Pa.C.S. § 5902(h) may include those necessary to accomplish the purpose of this section.

Section 25. (a) Nothing in this act which amends or supplements provisions of 71 Pa.C.S. Pt. XXV shall create in any member of the system or in any other person claiming an interest in the account of any such member a contractual right, either express or implied, in relation to requirements for qualification of the State Employees' Retirement System as a qualified pension plan under the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 401(a)) nor any construction of 71 Pa.C.S. Pt. XXV, as so amended or supplemented, or any rules or regulations adopted under 71 Pa.C.S. Pt. XXV. The provisions of 71 Pa.C.S. Pt. XXV shall remain subject to the Internal Revenue Code of 1986, and the General Assembly reserves to itself such further exercise of its legislative power to amend or supplement such provisions as may from time to time be required in order to maintain the qualification of such system as a qualified pension plan under section 401(a) and other applicable provisions of the Internal Revenue Code of 1986.

(b) References in this act to the Internal Revenue Code of 1986, including for this purpose administrative regulations promulgated thereunder, are intended to include such laws and regulations in effect on the effective date of this section and as they may hereafter be amended or supplemented or supplanted by successor provisions.

Section 26. No State employee otherwise a member of, eligible to be a member of, or having State or nonstate service credited in, a class of service other than Class A-3 may cancel, decline or waive membership in such other class of service in order to obtain Class A-3 or Class A-4 service credit, become a member of Class A-3 or Class A-4 or elect Class A-3 or Class A-4 membership.

Section 27. Notwithstanding any other provision of law, any change in accrued liability of the State Employees' Retirement System created by this act as a result of changes in benefits shall be funded as a level percentage of compensation over a period of 30 years beginning July 1, 2012, subject to any limits imposed on employer contributions to the State Employees' Retirement System. For purposes of 71 Pa.C.S. §§ 5501.1, 5507 and 5508, any such changes shall not be considered to be costs added by legislation.

Section 28. Notwithstanding any regulation promulgated by the State Employees' Retirement Board, application or interpretation of 71 Pa.C.S. Pt. XXV, or administrative practice to the contrary, a member's eligibility deriving from Class A-3 or Class A-4 service credit for a superannuation annuity or other rights and benefits based upon attaining superannuation age shall require the actual accrual of 35 eligibility points.

Section 29. This act shall take effect as follows:

- (1) The amendment or addition of the following provisions of 24 Pa.C.S. shall take effect July 1, 2011:
 - section 8102;
 - section 8303(c);

section 8304(a);
 section 8305(d) and (e);
 section 8305.2;
 section 8307(b);
 section 8308;
 section 8323(a), (c) and (c.1);
 section 8324(a), (d), (e) and (f);
 section 8326(a);
 section 8327(a) and (c);
 section 8328
 section 8342(a);
 section 8344(d);
 section 8345(a);
 section 8348.1(f);
 section 8348.2(f);
 section 8348.3(f);
 section 8348.5(f);
 section 8348.6(f);
 section 8348.7(f);
 section 8502(k)
 section 8505(l); and
 section 8535(3).

(2) Sections 17, 18, 19, 20, 21 and 22 of this act shall take effect July 1, 2011.

(3) The remainder of this act shall take effect immediately.

On the question,
 Will the House agree to the amendment?

The SPEAKER. On that question, the Chair recognizes the gentleman from Philadelphia County, Representative Evans.

Mr. D. EVANS. Thank you, Mr. Speaker.

Mr. Speaker, this is a very important amendment, as well as an important bill, to help to add stability to our pension fund for the future. This amendment benefit change affects only new employees. Let me say that again: It only benefits new employees.

The SPEAKER. Will the gentleman, Mr. Evans, yield.

The House will come to order. The House will come to order.

The gentleman may continue.

Mr. D. EVANS. Thank you, Mr. Speaker.

I want to make sure I made that clear. The benefit changes only affect new employees, so I want to make that very clear.

This amendment, Mr. Speaker, alters the bill's employer contribution rate for 2010 to 2011 by allowing for a minimum of 5.64 percent of payroll to a maximum of 8.22 percent. The final number, Mr. Speaker, is dependent upon the amount of funding enacted in the 2010-2011 General Appropriation Act. All of the language in the amendment is added to the bill; it does not change the bill.

This amendment also, Mr. Speaker, rolls back benefit enhancements enacted by Act 9 of 2001 for new employees. What does it do? It reverses the 2.5 percent for all new employees to 2 percent of the pay. It maintains the current employee contribution rate, which helps to provide for more funding to the system, and the vesting fund increases from 5 years to 10 years.

It also, Mr. Speaker, allows for new members to elect a current multiplier by requiring a higher employee contribution rate so that the enhancement is cost-neutral.

In addition to that, Mr. Speaker, it eliminates Option 4 upon retirement, and then the retirement age increases to age 65. For employees whose normal retirement age would be 50 under the current law, the retirement age increases to 55.

The vesting period for disability remains unchanged for 5 years for State troopers and enforcement officers remaining eligible for disability of benefits upon beginning service.

Mr. Speaker, what we are attempting to do here is to, again, with the issues that we have overall regarding the pension fund, is basically to deal with the question about new employees and effecting the changes. We believe, Mr. Speaker, that this amendment goes a long way to sending in terms of putting our pension house in order, and I would ask that you would vote for this amendment.

Thank you, Mr. Speaker.

The SPEAKER. On the amendment, the Chair recognizes the gentleman from Chester County, Representative Schroder.

Mr. SCHRODER. Thank you, Mr. Speaker.

Would the maker of the amendment stand for interrogation, please?

The SPEAKER. The gentleman, Representative Evans, indicates he will stand for interrogation. The gentleman, Mr. Schroder, is in order and may proceed.

Mr. SCHRODER. Thank you, Mr. Speaker.

Mr. Speaker, it is my understanding – first of all, as you are aware, there are a number of other amendments filed to the bill – it is my understanding that at the appropriate time the Speaker intends to rule at least some other amendments out of order because an actuarial note has not come back from PERC, the Public Employee Retirement Commission.

My question to you specifically, Mr. Speaker, is, on what day did your amendment go to PERC? What date was it submitted to PERC for the actuarial note?

Mr. D. EVANS. I think it was sometime last week, Mr. Speaker. I cannot give you the exact day. I could check it out, but it was sometime last week.

Mr. SCHRODER. Mr. Speaker, my information that I have been provided indicates that your amendment was prepared no earlier than June 13. So would it have gone to PERC before that, on that date, or after that?

Mr. D. EVANS. Mr. Speaker, as I said to you, it was sometime last week. I cannot tell you exactly when.

Mr. SCHRODER. So if the 13th was just 2 days ago, your amendment went into PERC prior to it being drafted?

Mr. D. EVANS. Again, Mr. Speaker, I do not have the exact time and date that it happened.

Mr. SCHRODER. Thank you, Mr. Speaker.

Mr. Speaker, I asked the question because I believe it is very relevant. The amendments that I filed, for example, went in the 14th—

The SPEAKER. Will the gentleman yield.

Are you on interrogation or do you want to speak on the amendment?

Mr. SCHRODER. Just speaking on the amendment.

The SPEAKER. The gentleman is in order and may proceed.

Mr. SCHRODER. Thank you, Mr. Speaker.

The only reason I ask the question is I believe it is very pertinent to the time that the other amendments went to PERC. My amendment went on the 14th, yet PERC has not had the chance, apparently, to offer an actuarial note. While this

amendment was created no earlier than June 13, which I believe was Sunday, yet somehow PERC found the capability to prepare this particular actuarial note. It just raises grave concerns in my mind about PERC's treatment or the process in preparing the actuarial notes for the other amendments that were submitted.

So with that, I do not have any further questions for the gentleman, and I appreciate his responses. Thank you.

The SPEAKER. The Chair thanks the gentleman.

PARLIAMENTARY INQUIRY

The SPEAKER. On the amendment, the Chair recognizes the gentleman from Lancaster County, Representative Boyd.

Mr. BOYD. Thank you, Mr. Speaker.

A parliamentary inquiry, please?

The SPEAKER. The gentleman may state his parliamentary inquiry.

Mr. BOYD. I presume from the prior dialogue that my amendment, A07571, is one of those amendments that, unfortunately, does not have an actuarial note available for it for consideration today?

The SPEAKER. That is correct.

Mr. BOYD. Thank you, Mr. Speaker.

I was wondering if I could just indulge the Speaker to just briefly touch on the amendment even though it is not in order?

The SPEAKER. We are on the Evans amendment. As soon as we finish with the Evans amendment, the Chair will recognize you for that purpose.

Mr. BOYD. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

PARLIAMENTARY INQUIRY

The SPEAKER. On the amendment, does the gentleman, Mr. Turzai, wish to be recognized?

The Chair recognizes the gentleman from Allegheny County, the minority whip, Representative Turzai.

Mr. TURZAI. Sir, I just want to know if this is the appropriate time or if it is not, so I seek a ruling from the Chair. It is a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. TURZAI. I know my colleague from Chester County raised some questions with respect to actuarial notes on the other amendments, that they were not filed by PERC, and therefore, those amendments were ruled out of order. If we wanted to call into – just raise the issue with respect to the procedures dealing with those actuarial notes, would this be the appropriate time or when would be the appropriate time to raise that issue?

The SPEAKER. The question before the House is the Evans amendment. As we go to the amendments that will be ruled out of order, it would be appropriate at that time.

Mr. TURZAI. Okay. Thank you.

The SPEAKER. The Chair thanks the gentleman.

On the amendment, the Chair recognizes the gentleman from Cumberland County, Representative Grell.

Mr. GRELL. Thank you, Mr. Speaker.

I rise today in full support of amendment 7493.

Well, first I want to say, Mr. Speaker, that I have appreciated the opportunity to work with Chairman Evans in crafting this amendment.

This amendment takes a bill that standing alone would have only offered short-term relief to our school districts and to our taxpayers, but by incorporating the significant long-term reforms that would apply only to new members – whether they are new employees of a school system or new employees of the Commonwealth – by making those long-term reforms, it takes a bill that initially would have just deferred the ultimate liability and it actually reduces that liability going forward. Specifically as it relates to new members or new employees, this legislation would roll back that multiplier that was enacted in 2001, yet it would keep the employee contribution at the higher rate, the current rate, thus bringing more money into the system to help deal with the funding crisis that we currently experience.

It would also require these new employees at the end of their work life to work a little bit longer. In the case of SERS (State Employees' Retirement System) members, it would require a 5-year additional work life in order to reach superannuation. In the case of school employees, it would require 3 years. It would bring those superannuation rates consistent at age 65.

It would also prevent new employees, at the time of their retirement, from pulling out all of the money that they have contributed to the pension funds. By eliminating Option 4, it would allow more money to stay in the system thus earning additional revenue for the benefit of all members of the system.

The PERC analysis that came out today suggests that because of the long-term reforms that are contained in this amendment, the cost of smoothing and easing the burden on our— Mr. Speaker?

The SPEAKER. The gentleman is correct.

The House will come to order. The members will please take their seats.

Mr. GRELL. Thank you, Mr. Speaker.

The SPEAKER. Will the gentleman yield.

The House will come to order.

The gentleman, Mr. Grell, may proceed.

Mr. GRELL. Thank you, Mr. Speaker.

I was wrapping up.

But the point I wanted to make was that the initial bill standing alone would have resulted in a very large cost for deferral over the course of the next 30 years. But by incorporating these long-term reforms into this legislation, it cuts the cost of this deferral in half, and we are talking about billions of dollars to the taxpayers of the Commonwealth and to the taxpayers of every school district across Pennsylvania over the course of the next 30 years.

Certainly, there are other proposals that are out there to address the pension situation for public employees. I worked for 6 months or so on an alternative proposal, but I have not offered that proposal today because I think the amendment that is embodied in amendment 7493 is a fair and workable compromise of all the competing interests in this. Certainly, there may be other reforms that could be done or could be offered at a different date, and I am sure there will be, but I want to encourage the members on both sides of the aisle to support this amendment because it accomplishes short-term relief, which is so essential, and it also incorporates long-term reform, which will be to the benefit of the members of these systems. It will assist the funding level of these systems, the sustainability of those systems, and ultimately, be good for the

people of the Commonwealth of Pennsylvania, and I encourage support of the amendment.

Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Delaware County, Representative Adolph.

Mr. ADOLPH. Thank you, Mr. Speaker.

Mr. Speaker, I rise today in support of amendment 7493.

For some time now we have all expressed great concerns regarding the pending spike in our State pension obligations. Each and every one of us has heard from our schoolteachers, from our school board members, from our senior citizens, from our business leaders: How is the State going to handle this spike? Right now Pennsylvania has a multibillion-dollar unfunded liability. If we do not take action to address this issue, it will only grow worse in the coming years.

While I realize many of us have different opinions of how we need to fix this, the one thing that we can universally agree upon is that we cannot allow this problem to grow further. Today we have an opportunity to begin to address this situation with an array of reforms that are designed to help the State better manage its future pension obligations. But more importantly, we are here to provide security and stability to Pennsylvania pension systems so they remain protected for years to come.

As we consider this measure today, it is important we all realize how we got here. It was not too long ago when the State pension systems were earning sizable returns on their investments. As recent as the year 2000, these systems were fully funded, carrying about 130 percent of what was needed to meet our obligations – 130 percent. Keep in mind, these good times allowed the State and the school districts to go years investing very little into the pension system. We relied on our investments. Mr. Speaker, we have since those times corrected that problem, and now our school districts must contribute at least 4 percent to the systems each year.

And while the good times were good, the bad times are very bad. We must realize that there was one overpowering factor that set us on course to the challenge that we face today: The recession that began to grip this nation in 2007 was the worst since the Great Depression. It rattled the economy and crippled our investments for millions of Americans. This is not just a Pennsylvania problem, this is not just a Delaware County problem, an Allegheny County problem, a Philadelphia problem; this is a nationwide problem, Mr. Speaker.

Unfortunately, as this economic tsunami hit our nation, our pensions were hit terribly. When we considered that 77 percent of the State pension funds are supported through investments, it is no shock that we are in this position today. In 2008-2009 PSERS reported a 27-percent loss in its assets. That type of decline is almost impossible to comprehend. While there may have been other factors that have added to our current situation, we all need to realize that no one person, no one group, and no action was responsible for putting us into this position other than the economy, the economic tsunami. Now we have the responsibility of taking the steps needed to fix this problem. With that said, we all know that the changes need to be made, and I believe we have begun to seriously address some key reforms here in this proposal.

I would like to thank Chairman Evans for reaching out to this side of the aisle for reform measures that will make this pension system stable for many decades to come. Representative Grell, Representative Reichley, Representative Boyd, just to mention a

few on our side, Representative Petri, have worked very hard in introducing legislation to address some of these problems. Representative Evans reached across the aisle, and together we have introduced an amendment that I believe is a step in the right direction.

I am not going to go through all of those changes, because between Representative Evans and Representative Grell, they have covered all the points that address this. But the one issue that has not been addressed, and I know this is a big issue on our side of the aisle, is that we still have a contribution to be made. In discussing this with Representative Evans, he was willing to put in the language that if we are able to find the money, we will be able to increase the employer's share this year, thus reducing future liabilities.

I commend Chairman Evans for this bipartisan effort. This is a beginning. I would love to have had an opportunity to vote on some of the other amendments that were offered by members on both sides of the aisle; however, I believe this is the step in the right direction. I rise and wholeheartedly ask members on both sides of the aisle to understand the big picture and support this amendment.

Thank you so much.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Bucks County, Representative Petri. The gentleman waives off.

LEAVE OF ABSENCE CANCELED

The SPEAKER. The Chair notes the presence of the gentleman from Philadelphia County, Representative Roebuck, on the House floor. His name will be added to the master roll.

CONSIDERATION OF HB 2497 CONTINUED

On the question recurring,
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—198

Adolph	Everett	Lentz	Readshaw
Baker	Fabrizio	Levdansky	Reed
Barbin	Fairchild	Longietti	Reichley
Barrar	Farry	Maher	Roae
Bear	Fleck	Mahoney	Rock
Belfanti	Frankel	Major	Roebuck
Benninghoff	Freeman	Manderino	Rohrer
Beyer	Gabig	Mann	Ross
Bishop	Gabler	Markosek	Sabatina
Boback	Galloway	Marshall	Sainato
Boyd	Geist	Marsico	Samuelson
Boyle	George	Matzie	Santarsiero
Bradford	Gerber	McGeehan	Santoni
Brennan	Gergely	McI. Smith	Saylor
Briggs	Gibbons	Metcalfe	Scavello
Brooks	Gillespie	Metzgar	Schroder
Brown	Gingrich	Miccarelli	Seip
Burns	Godshall	Micozzie	Shapiro
Buxton	Goodman	Miller	Siptroth
Caltagirone	Grell	Milne	Smith, K.
Carroll	Grove	Mirabito	Smith, M.
Casorio	Grucela	Moul	Smith, S.
Causer	Hahn	Mundy	Solobay
Christiana	Haluska	Murphy	Sonney
Clymer	Hanna	Murt	Staback

Cohen	Harhai	Mustio	Stern
Conklin	Hart	Myers	Stevenson
Costa, D.	Harkins	O'Brien, D.	Sturla
Costa, P.	Harper	O'Brien, M.	Swanger
Cox	Harris	O'Neill	Tallman
Creighton	Helm	Oberlander	Taylor, J.
Cruz	Hennessey	Oliver	Taylor, R.
Curry	Hess	Pallone	Thomas
Cutler	Hickernell	Parker	Toepel
Daley	Hornaman	Pashinski	True
Day	Houghton	Payne	Turzai
Deasy	Hutchinson	Payton	Vereb
Delozier	Johnson	Peifer	Vitali
DeLuca	Josephs	Perry	Vulakovich
Denlinger	Kauffman	Perzel	Wagner
DePasquale	Keller, M.K.	Petrarca	Wansacz
Dermody	Keller, W.	Petri	Waters
DeWeese	Kessler	Phillips	Wheatley
DiGirolamo	Killion	Pickett	White
Donatucci	Kirkland	Preston	Williams
Drucker	Knowles	Pyle	Youngblood
Eachus	Kortz	Quigley	Yudichak
Ellis	Kotik	Quinn	
Evans, D.	Krieger	Rapp	
Evans, J.	Kula	Ravenstahl	McCall,
			Speaker

NAYS–1

Melio

NOT VOTING–0**EXCUSED–3**

Millard Reese Watson

The majority having voted in the affirmative, the question was determined in the affirmative and the amendment was agreed to.

On the question,

Will the House agree to the bill on second consideration as amended?

The SPEAKER. There are a number of amendments filed by the gentlemen and gentlelady, Representatives Belfanti, Petri, Boyd, Grove, Maher, Schroder, Brooks, Cohen, and Reichley, that are ruled out of order because they do not contain or have attached an actuarial note from the Public Employee Retirement Commission.

On the question recurring,

Will the House agree to the bill on second consideration as amended?

PARLIAMENTARY INQUIRY

The SPEAKER. The Chair recognizes the gentleman from Lancaster County, Representative Boyd.

Mr. BOYD. Thank you, Mr. Speaker.

As I had mentioned earlier, I presume because of that, amendment A07571 is not in order. Is that correct, Mr. Speaker?

The SPEAKER. The gentleman is correct.

Mr. BOYD. I appreciate that.

Mr. Speaker, I appreciate the efforts of the gentleman, Mr. Evans, and the folks on our side of the aisle on the prior amendment. Many of us that supported that amendment had desired an opportunity to have other amendments considered. Most specifically, this amendment would have provided for some of the similar provisions in the Evans amendment, but the future hires would have been under a defined contribution benefit system as opposed to the gentleman's.

Perhaps another day we will have an actuarial note and we will have this conversation on another day. But I appreciate the work from members on both sides of the aisle, and I appreciate the Speaker's indulgence in considering this in the future. Thank you.

The SPEAKER. The Chair thanks the gentleman, Mr. Boyd.

PARLIAMENTARY INQUIRY

The SPEAKER. For what purpose does the gentleman from Allegheny, Representative Maher, rise?

Mr. MAHER. Thank you, Mr. Speaker.

I realize that you ruled the variety of amendments out of order, and I understand that statutorily there is a requirement for an actuarial note for each of these amendments.

I suppose I have an inquiry, and maybe it is rhetorical, but I think I have the need to ask how it is that the one amendment, the people that write the actuarial notes apparently had plenty of time for – a very long, complicated amendment – and for other amendments where the result would be very simple to determine, the folks that we rely on for these actuarial notes apparently did not have the time. So consequently, this House and chamber is precluded from voting on a substantial overhaul beyond which is contained in this amendment that we had just considered.

Can you advise me on, is there some avenue to help ensure that actuarial notes are actually delivered for amendments so that we will not encounter this troubling situation in the future?

The SPEAKER. The statute – and it is Purdon's 43, specifically the section would be subsection 1407 that governs us – but the statute is very clear as to the procedure that PERC has to follow as well as the members of this House of Representatives when amending any bill. The procedures are set up in statute giving timelines and timeframes as to when actuarial notes are submitted and the timeframe that PERC has to respond to those requests. The law already dictates.

Mr. MAHER. Thank you, Mr. Speaker.

I do understand that, and I understand that you are applying the statute as it is required to be applied. I am just expressing the frustration that those of us who acted in good faith, that timely file amendments, are left without the opportunity for those amendments to be considered.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and appreciates his comments.

Will the House agree to the bill?

The gentleman from Allegheny County, Representative Turzai, is recognized.

Mr. TURZAI. Thank you very much, Mr. Speaker.

Earlier I had asked when the appropriate time might be to address the order with respect to the amendments not having actuarial notes.

With respect to, I think it would be unanimous consent, I just want to put on the record my perspective with the ruling. I am not going to make a motion in any way; I just want to put it on the legislative record. My read of the statute is, with respect to actuarial notes that are required for these types of amendments, the language reads that "Except as otherwise provided..." in this language "...no amendment to any bill concerning any public employee pension or retirement plan shall be considered by either House of the General Assembly until an actuarial note prepared by an enrolled pension actuary has been attached." My read on that would mean that in fact we as a body could not run a pension bill or a retirement plan bill amendment until the PERC – which deals with retirements – until PERC itself had prepared the actuarial note. So it seems to me that we actually have to wait for them to get the note before we can have the opportunity to run the amendment.

There is additional language that would support that position. It says in the next subsection, "Effect of failure of commission to attach note." "...If the commission fails to attach an actuarial note within 20 legislative days after an amendment to a bill proposing a change relative to a public employee pension or retirement has submitted to the commission, the amendment may be considered in the same manner as if the actuarial note had been attached to the amendment." You would only have that language if it means that it is not— That language only makes sense if it is incumbent on us to give the commission 20 days to provide the actuarial note. If they do not, then we can disregard them and run the amendment without the actuarial note.

I myself would have liked to have had the opportunity to vote on a number of the amendments. I think, long-term, our solutions really are going to be needed for new hires in the area of some hybrid plans or to find contribution plans for new hires. We are not going to be able to sustain the affordability. I do agree that we have to meet our existing obligations with retirees, vested individuals; I understand that. But with respect to moving forward, I think we have to make some significant changes. Some of the other amendments would have allowed us to have votes on those proposals, given the fact that the ruling that these amendments are out of order for not having an actuarial note deprives us of that opportunity.

Mr. Speaker, thanks very much for giving me the opportunity to put my perspective on the ruling on the record.

The SPEAKER. The Chair thanks the gentleman.

PARLIAMENTARY INQUIRY

The SPEAKER. For what purpose does the gentleman from Bucks, Representative Petri, rise?

Mr. PETRI. Thank you, Mr. Speaker.

Parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. PETRI. I wanted to ensure that I understood your ruling correctly. Are you ruling that my amendment, No. A7562, is out of order because there is no actuarial note?

The SPEAKER. That is correct.

Mr. PETRI. Okay. I would just like to place on the record, Mr. Speaker, that I filed for this amendment on June 11, 2010, at 10:39, which was prior to the amendment that, in fact, is being recognized. Thank you.

The SPEAKER. The Chair thanks the gentleman.

PARLIAMENTARY INQUIRY

The SPEAKER. For what purpose does the gentlelady from Mercer, Representative Brooks, rise?

Mrs. BROOKS. Parliamentary procedure.

The SPEAKER. Parliamentary inquiry?

Mrs. BROOKS. Yes.

The SPEAKER. The gentlelady will state her parliamentary inquiry.

Mrs. BROOKS. A07647, that amendment, Mr. Speaker, it does not change the cost of either pension system, so it is our understanding it does not require an actuarial letter.

The SPEAKER. That is not quite correct. As a matter of fact, if you read the statute, "...no amendment to any bill concerning any public employee pension or retirement..." system "...shall be considered by either House of the General Assembly until an actuarial note prepared...." Even a technical amendment that would be filed to this bill would require an actuarial note. So your legislation or your amendment would need that actuarial note.

Mrs. BROOKS. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the lady.

PARLIAMENTARY INQUIRY

The SPEAKER. For what purpose does the gentleman from Lehigh, Representative Reichley, stand?

Mr. REICHLEY. Point of parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. REICHLEY. It is becoming somewhat redundant, but as well, I had filed an amendment – I cannot remember the number right now – but it dealt with requiring the removal of some backroom referendum exceptions, which I believe do not pertain to the pension systems in general. I am imagining that based upon your last comment to Representative Brooks, the same situation would apply to my amendment then?

The SPEAKER. That is correct. Any amendment that is filed to the bill would require an actuarial note.

Mr. REICHLEY. Okay. Well, if I could just briefly comment, Mr. Speaker.

I want to first compliment Lisa Taglang and Dr. Ed Nolan from the House Republican Appropriations staff. They had worked on a proposal on my behalf very similar to the amendment we just adopted. Also, I want to compliment Representative Boyd and Representative Grell for the work they did within our caucus in the last year on this issue.

I think that this is a substantial step forward. It may not be ideal or perfect as a resolution to the impending pension crisis we have, but I would also comment that I think the task is half

done. We need to fully fund the pension systems this year, which will take us to find another \$150 million, but also, having conceded there will be property tax pressures from allowing graduated increases in employer contribution rates, we do need to do something to help property tax payers at the school district level, and I think my amendment would have been a substantial step forward on that. I am hopeful that the State Senate will take up these ideas as the bill progresses to that chamber.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the bill on second consideration as amended?

Bill as amended was agreed to.

(Bill as amended will be reprinted.)

VOTE CORRECTION

The SPEAKER. The Chair recognizes the gentleman from Bucks County, Representative Melio, for a correction of the record.

Mr. MELIO. Thank you, Mr. Speaker.

I would like to correct the record, please.

The SPEAKER. The gentleman is in order and may proceed.

Mr. MELIO. On HB 2497, my machine malfunctioned. I would like to be put in the affirmative. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman. His remarks will be spread upon the record.

BILL REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND RECOMMITTED TO COMMITTEE ON RULES

HB 2322, PN 3915 (Amended) By Rep. DALEY

An Act providing for the validity of electronic documents; authorizing county recorders of deeds to receive electronic documents as a means for recording real property; granting powers and duties to the county recorders of deeds; establishing the Electronic Recording Commission; and prescribing standards of uniformity.

COMMERCE.

BILLS ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 1171, PN 3628**, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in snowmobiles and all-terrain vehicles, further providing for definitions, for restricted account and for registration of snowmobile or ATV; providing for vintage snowmobile permits; and making an editorial change.

On the question,

Will the House agree to the bill on third consideration?

Bill was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER. The question is, shall the bill pass finally? Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—192

Adolph	Fabrizio	Longietti	Reed
Baker	Fairchild	Maher	Reichley
Barbin	Farry	Mahoney	Roaee
Barrar	Fleck	Major	Rock
Bear	Frankel	Manderino	Roebuck
Belfanti	Freeman	Mann	Rohrer
Benninghoff	Gabig	Markosek	Ross
Beyer	Gabler	Marshall	Sabatina
Bishop	Galloway	Marsico	Sainato
Boback	Geist	Matzie	Samuelson
Boyd	George	McGeehan	Santarsiero
Boyle	Gerber	McI. Smith	Santoni
Bradford	Gergely	Melio	Saylor
Brennan	Gibbons	Metzgar	Scavello
Briggs	Gillespie	Miccarelli	Schroder
Brooks	Gingrich	Micozzie	Seip
Brown	Godshall	Miller	Shapiro
Burns	Goodman	Milne	Siptroth
Buxton	Grell	Mirabito	Smith, K.
Caltagirone	Grucela	Moul	Smith, M.
Carroll	Hahn	Mundy	Smith, S.
Casorio	Haluska	Murphy	Solobay
Causer	Hanna	Murt	Sonney
Christiana	Harhai	Mustio	Staback
Clymer	Harhart	Myers	Stern
Cohen	Harkins	O'Brien, D.	Stevenson
Conklin	Harper	O'Brien, M.	Sturla
Costa, D.	Harris	O'Neill	Swanger
Costa, P.	Helm	Oberlander	Taylor, J.
Cox	Hennessey	Oliver	Taylor, R.
Cruz	Hess	Pallone	Thomas
Curry	Hickernell	Parker	Toepel
Cutler	Hornaman	Pashinski	True
Daley	Houghton	Payne	Turzai
Day	Johnson	Payton	Vereb
Deasy	Josephs	Peifer	Vitali
Delozier	Kauffman	Perzel	Vulakovich
DeLuca	Keller, M.K.	Petrarca	Wagner
Denlinger	Keller, W.	Petri	Wansacz
DePasquale	Kessler	Phillips	Waters
Dermody	Killion	Pickett	Wheatley
DeWeese	Kirkland	Preston	White
DiGirolamo	Knowles	Pyle	Williams
Donatucci	Kortz	Quigley	Youngblood
Drucker	Kotik	Quinn	Yudichak
Eachus	Krieger	Rapp	
Evans, D.	Kula	Ravenstahl	McCall,
Evans, J.	Lentz	Readshaw	Speaker
Everett	Levdansky		

NAYS—7

Creighton	Grove	Metcalfe	Tallman
Ellis	Hutchinson	Perry	

NOT VOTING—0

EXCUSED-3

Millard Reese Watson

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

REMARKS SUBMITTED FOR THE RECORD

The SPEAKER. The Chair recognizes the gentleman from Clinton County, Representative Hanna, under unanimous consent, without objection.

Mr. HANNA. Thank you, Mr. Speaker.

I just want to submit some remarks for the record.

The SPEAKER. The gentleman is in order.

Mr. HANNA submitted the following remarks for the Legislative Journal:

Thank you, Mr. Speaker.

HB 1171, if passed, would authorize the Pennsylvania Department of Conservation and Natural Resources to issue permits for vintage snowmobiles that are used only while participating in an exhibition or other event that is open to the public.

To be eligible for this permit under this legislation, an applicant must be a resident of Pennsylvania and pay the required \$35 fee. Once the permit is issued, the owner of the vintage snowmobile is exempt from registration and insurance requirements.

Under my legislation, a "vintage snowmobile" is defined as a snowmobile that is at least 25 years old and is not operated in Pennsylvania except at vintage snowmobile events. These events could include rides or rallies that have specified routes, dates, and beginning and end points.

I encourage my colleagues to support HB 1171. Thank you.

* * *

The House proceeded to third consideration of **HB 2368, PN 3450**, entitled:

An Act amending the act of May 17, 1921 (P.L.789, No.285), known as The Insurance Department Act of 1921, further providing for definitions.

On the question,

Will the House agree to the bill on third consideration?

Bill was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER. The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS-199

Adolph	Fabrizio	Levdansky	Readshaw
Baker	Fairchild	Longietti	Reed
Barbin	Farry	Maher	Reichley
Barrar	Fleck	Mahoney	Roae
Bear	Frankel	Major	Rock
Belfanti	Freeman	Manderino	Roebuck
Benninghoff	Gabig	Mann	Rohrer
Beyer	Gabler	Markosek	Ross
Bishop	Galloway	Marshall	Sabatina
Boback	Geist	Marsico	Sainato
Boyd	George	Matzie	Samuelson
Boyle	Gerber	McGeehan	Santarsiero
Bradford	Gergely	McI. Smith	Santoni
Brennan	Gibbons	Melio	Saylor
Briggs	Gillespie	Metcalfe	Scavello
Brooks	Gingrich	Metzgar	Schroder
Brown	Godshall	Miccarelli	Seip
Burns	Goodman	Micozzie	Shapiro
Buxton	Grell	Miller	Siptroth
Caltagirone	Grove	Milne	Smith, K.
Carroll	Grucela	Mirabito	Smith, M.
Casorio	Hahn	Moul	Smith, S.
Causer	Haluska	Mundy	Solobay
Christiana	Hanna	Murphy	Sonney
Clymer	Harhai	Murt	Staback
Cohen	Harhart	Mustio	Stern
Conklin	Harkins	Myers	Stevenson
Costa, D.	Harper	O'Brien, D.	Sturla
Costa, P.	Harris	O'Brien, M.	Swanger
Cox	Helm	O'Neill	Tallman
Creighton	Hennessey	Oberlander	Taylor, J.
Cruz	Hess	Oliver	Taylor, R.
Curry	Hickernell	Pallone	Thomas
Cutler	Hornaman	Parker	Toepel
Daley	Houghton	Pashinski	True
Day	Hutchinson	Payne	Turzai
Deasy	Johnson	Payton	Vereb
Delozier	Josephs	Peifer	Vitali
DeLuca	Kauffman	Perry	Vulakovich
Denlinger	Keller, M.K.	Perzel	Wagner
DePasquale	Keller, W.	Petrarca	Wansacz
Dermody	Kessler	Petri	Waters
DeWeese	Killion	Phillips	Wheatley
DiGirolamo	Kirkland	Pickett	White
Donatucci	Knowles	Preston	Williams
Drucker	Kortz	Pyle	Youngblood
Eachus	Kotik	Quigley	Yudichak
Ellis	Krieger	Quinn	
Evans, D.	Kula	Rapp	McCall,
Evans, J.	Lentz	Ravenstahl	Speaker
Everett			

NAYS-0

NOT VOTING-0

EXCUSED-3

Millard Reese Watson

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

* * *

The House proceeded to third consideration of **HB 2172, PN 3706**, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, further providing for jurisdiction and venue of Philadelphia Municipal Court and of magisterial district judges.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER. The question is, shall the bill pass finally? Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—198

Adolph	Everett	Lentz	Readshaw
Baker	Fabrizio	Levdansky	Reed
Barbin	Fairchild	Longietti	Reichley
Barrar	Farry	Maher	Roaee
Bear	Fleck	Mahoney	Rock
Belfanti	Frankel	Major	Roebuck
Benninghoff	Freeman	Manderino	Rohrer
Beyer	Gabig	Mann	Ross
Bishop	Gabler	Markosek	Sabatina
Boback	Galloway	Marshall	Sainato
Boyd	Geist	Marsico	Samuelson
Boyle	George	Matzie	Santarsiero
Bradford	Gerber	McGeehan	Santoni
Brennan	Gergely	McI. Smith	Saylor
Briggs	Gibbons	Melio	Scavello
Brooks	Gillespie	Metcalfe	Schroder
Brown	Gingrich	Metzgar	Seip
Burns	Godshall	Miccarelli	Shapiro
Buxton	Goodman	Micozzie	Siptroth
Caltagirone	Grell	Miller	Smith, K.
Carroll	Grove	Milne	Smith, M.
Casorio	Grucela	Mirabito	Smith, S.
Causer	Hahn	Moul	Solobay
Christiana	Haluska	Mundy	Sonney
Clymer	Hanna	Murt	Staback
Cohen	Harhai	Mustio	Stern
Conklin	Harhart	Myers	Stevenson
Costa, D.	Harkins	O'Brien, D.	Sturla
Costa, P.	Harper	O'Brien, M.	Swanger
Cox	Harris	O'Neill	Tallman
Creighton	Helm	Oberlander	Taylor, J.
Cruz	Hennessey	Oliver	Taylor, R.
Curry	Hess	Pallone	Thomas
Cutler	Hickernell	Parker	Toepel
Daley	Hornaman	Pashinski	True
Day	Houghton	Payne	Turzai
Deasy	Hutchinson	Payton	Vereb
Delozier	Johnson	Peifer	Vitali
DeLuca	Josephs	Perry	Vulakovich
Denlinger	Kauffman	Perzel	Wagner
DePasquale	Keller, M.K.	Petrarca	Wansacz
Dermody	Keller, W.	Petri	Waters
DeWeese	Kessler	Phillips	Wheatley
DiGirolamo	Killion	Pickett	White
Donatucci	Kirkland	Preston	Williams
Drucker	Knowles	Pyle	Youngblood
Eachus	Kortz	Quigley	Yudichak

Ellis	Kotik	Quinn	
Evans, D.	Krieger	Rapp	McCall,
Evans, J.	Kula	Ravenstahl	Speaker

NAYS—1

Murphy

NOT VOTING—0

EXCUSED—3

Millard	Reese	Watson
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The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

* * *

The House proceeded to third consideration of **HB 2445, PN 3609**, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, further providing for administration of oaths.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER. The question is, shall the bill pass finally? Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—197

Adolph	Everett	Levdansky	Reed
Baker	Fabrizio	Longietti	Reichley
Barbin	Fairchild	Maher	Roaee
Barrar	Farry	Mahoney	Rock
Bear	Fleck	Major	Roebuck
Belfanti	Frankel	Manderino	Rohrer
Benninghoff	Freeman	Mann	Ross
Beyer	Gabig	Markosek	Sabatina
Bishop	Gabler	Marshall	Sainato
Boback	Galloway	Marsico	Samuelson
Boyd	Geist	Matzie	Santarsiero
Boyle	George	McGeehan	Santoni
Bradford	Gerber	McI. Smith	Saylor
Brennan	Gergely	Melio	Scavello
Briggs	Gibbons	Metzgar	Schroder
Brooks	Gillespie	Miccarelli	Seip
Brown	Gingrich	Micozzie	Shapiro
Burns	Godshall	Miller	Siptroth
Buxton	Goodman	Milne	Smith, K.
Caltagirone	Grell	Mirabito	Smith, M.
Carroll	Grove	Moul	Smith, S.
Casorio	Grucela	Mundy	Solobay

Causer	Hahn	Murphy	Sonney
Christiana	Haluska	Murt	Staback
Clymer	Hanna	Mustio	Stern
Cohen	Harhai	Myers	Stevenson
Conklin	Harhart	O'Brien, D.	Sturla
Costa, D.	Harkins	O'Brien, M.	Swanger
Costa, P.	Harper	O'Neill	Tallman
Cox	Harris	Oberlander	Taylor, J.
Creighton	Helm	Oliver	Taylor, R.
Cruz	Hennessey	Pallone	Thomas
Curry	Hess	Parker	Toepel
Cutler	Hickernell	Pashinski	True
Daley	Hornaman	Payne	Turzai
Day	Houghton	Payton	Vereb
Deasy	Johnson	Peifer	Vitali
Delozier	Josephs	Perry	Vulakovich
DeLuca	Kauffman	Perzel	Wagner
Denlinger	Keller, M.K.	Petrarca	Wansacz
DePasquale	Keller, W.	Petri	Waters
Dermody	Kessler	Phillips	Wheatley
DeWeese	Killion	Pickett	White
DiGirolamo	Kirkland	Preston	Williams
Donatucci	Knowles	Pyle	Youngblood
Drucker	Kortz	Quigley	Yudichak
Eachus	Kotik	Quinn	
Ellis	Krieger	Rapp	McCall,
Evans, D.	Kula	Ravenstahl	Speaker
Evans, J.	Lentz	Readshaw	

NAYS—2

Hutchinson Metcalfe

NOT VOTING—0

EXCUSED—3

Millard Reese Watson

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

* * *

The House proceeded to third consideration of **HB 123, PN 3777**, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for the offense of cruelty to animals.

On the question,

Will the House agree to the bill on third consideration?

Bill was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER. The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—199

Adolph	Fabrizio	Levdansky	Readshaw
Baker	Fairchild	Longietti	Reed
Barbin	Farry	Maher	Reichley
Barrar	Fleck	Mahoney	Roae
Bear	Frankel	Major	Rock
Belfanti	Freeman	Manderino	Roebuck
Benninghoff	Gabig	Mann	Rohrer
Beyer	Gabler	Markosek	Ross
Bishop	Galloway	Marshall	Sabatina
Boback	Geist	Marsico	Sainato
Boyd	George	Matzie	Samuelson
Boyle	Gerber	McGeehan	Santarsiero
Bradford	Gergely	McI. Smith	Santoni
Brennan	Gibbons	Melio	Saylor
Briggs	Gillespie	Metcalfe	Scavello
Brooks	Gingrich	Metzgar	Schroder
Brown	Godshall	Miccarelli	Seip
Burns	Goodman	Micozzie	Shapiro
Buxton	Grell	Miller	Siptroth
Caltagirone	Grove	Milne	Smith, K.
Carroll	Grucela	Mirabito	Smith, M.
Casorio	Hahn	Moul	Smith, S.
Causer	Haluska	Mundy	Solobay
Christiana	Hanna	Murphy	Sonney
Clymer	Harhai	Murt	Staback
Cohen	Harhart	Mustio	Stern
Conklin	Harkins	Myers	Stevenson
Costa, D.	Harper	O'Brien, D.	Sturla
Costa, P.	Harris	O'Brien, M.	Swanger
Cox	Helm	O'Neill	Tallman
Creighton	Hennessey	Oberlander	Taylor, J.
Cruz	Hess	Oliver	Taylor, R.
Cutler	Hickernell	Pallone	Thomas
Daley	Hornaman	Parker	Toepel
Day	Houghton	Pashinski	True
Deasy	Hutchinson	Payne	Turzai
Delozier	Johnson	Payton	Vereb
DeLuca	Josephs	Peifer	Vitali
Denlinger	Kauffman	Perry	Vulakovich
DePasquale	Keller, M.K.	Perzel	Wagner
Dermody	Keller, W.	Petrarca	Wansacz
DeWeese	Kessler	Petri	Waters
DiGirolamo	Killion	Phillips	Wheatley
Donatucci	Kirkland	Pickett	White
Drucker	Knowles	Preston	Williams
Eachus	Kortz	Pyle	Youngblood
Ellis	Kotik	Quigley	Yudichak
Evans, D.	Krieger	Quinn	
Evans, J.	Kula	Rapp	McCall,
	Lentz	Ravenstahl	Speaker
		Everett	

NAYS—0

NOT VOTING—0

EXCUSED—3

Millard Reese Watson

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

REMARKS SUBMITTED FOR THE RECORD

The SPEAKER. For what purpose does the gentleman from Erie County, Representative Evans, rise?

Mr. J. EVANS. Thank you, Mr. Speaker.

I have some remarks I would like to submit for the record.

The SPEAKER. The gentleman is in order.

Mr. J. EVANS submitted the following remarks for the Legislative Journal:

HB 123 will amend the animal cruelty provisions of the Crimes Code by imposing a penalty upon owners who willfully allow their dogs to kill or maim a service or guide dog.

The legislation provides that a person commits a second-degree misdemeanor if he is the owner or co-owner of a dog that kills, maims, or disfigures the guide dog of an individual who is blind, a hearing dog of an individual who is deaf or audibly impaired, or a service dog of a person who is physically disabled.

Persons convicted of this offense shall be sentenced to pay a fine of not more than \$5,000 and shall be ordered to pay restitution for veterinary costs incurred for treating the service dog, and if necessary, the cost of a replacement dog.

Service dogs are enormously valuable in enhancing the quality of life for individuals with a variety of disabilities. They require a tremendous investment in time, training, and money, but in return, the dogs allow for increased independence of their owners.

A dog attack on service dogs can be devastating. Some dogs die and the expenses for the dogs that live can be insurmountable. Veterinary care, retraining, or replacing the dog can cost thousands of dollars. The national average cost for a guide dog is \$10,000 to \$25,000.

For a dog owner to recklessly allow his pet to maliciously kill or severely injure a service dog is irresponsible, and the owner should be subject to criminal penalties.

My intent with this legislation is not to target responsible pet owners but to punish those dog owners who allow vicious animals to run loose. Because service dogs are not trained to fight back, this bill is specifically designed to target those owners who act recklessly and maliciously. These owners should be required to make reparations for all the damages incurred as a result of injury to the service dog.

[NOTE: The legislation is silent as to the level of culpability necessary to establish the criminal offense; the level will be as prescribed in Title 18, section 302, which provides that when the culpability sufficient to establish a material element of an offense is not prescribed by law, such element is established if a person acts "intentionally, knowingly, or recklessly" with respect thereto.]

Currently a person commits a misdemeanor of the second degree if he willfully and maliciously harasses, annoys, or injures a service dog. Offense is punishable by a fine of not less than \$500.

Moreover, if a person willfully kills, maims, or disfigures a service dog, the person commits a first-degree misdemeanor and is subject to a fine of not less than \$1,000 or imprisonment for not more than 2 years, or both. In addition, the person is required to make reparations, including the cost of a replacement dog if necessary.

In addition, the Dog Law also provides for the criminal liability of the owner or keeper of a dog which kills or inflicts serious injury upon a domestic animal. If the owner is found guilty of "harboring a dangerous dog," the dog's owner is guilty of a summary offense and shall be ordered to pay restitution to the victim. If the offense occurred through the intentional, reckless, or negligent conduct of the dog's owner or keeper, the offense is a second-degree misdemeanor.

REMARKS SUBMITTED FOR THE RECORD

The SPEAKER. For what purpose does the gentleman from Westmoreland County, Representative Harhai, rise?

Mr. HARHAI. Mr. Speaker, I would also like to submit some comments for the record for HB 2368, if I may?

The SPEAKER. The gentleman is in order.

Mr. HARHAI. Thank you.

The SPEAKER. Present them to one of the clerks.

Mr. HARHAI submitted the following remarks for the Legislative Journal:

Mr. Speaker, I rise to ask for the support of the members for HB 2368.

I introduced this important legislation to ensure the solvency of the accident and health insurance industry in this Commonwealth. Specifically, the legislation, which is thoroughly supported by the Insurance Department, adds the National Association of Insurance Commissioner's (NAIC) "trend test" analysis to Pennsylvania's arsenal for monitoring the fiscal health of the industry.

The importance of this bill as a consumer protection legislative piece cannot be understated. The initiative will promote the financial solvency and stability of health organizations licensed to offer health insurance products in Pennsylvania. The legislation will ensure that consumer claims are satisfied and that health-care providers are properly and timely compensated for services rendered to their patients.

Because other types of health insurers (stock or mutual accident and health insurance companies) are already subject to a trend test component in RBC (risk-based capital) standards, enactment of this initiative would create more consistent capital requirements for all types of insurers in the health insurance marketplace. Thirty-two States, including Pennsylvania, have enacted legislation substantially similar to the NAIC Risk-Based Capital for Health Organizations Model Act, and the Department believes these States will also move to enact the NAIC's new trend test component. Therefore, this initiative will help to improve the financial stability of Pennsylvania's health insurance marketplace.

I ask for a "yes" vote on the bill. Thank you, Mr. Speaker.

**MOTION TO PROCEED TO CONSIDERATION
UNDER RULE 24**

The SPEAKER. The Chair recognizes the majority leader, who moves, pursuant to rule 24, that members have had sufficient time to review the language and that the House proceed with consideration of HB 708, PN 3903.

On the question,
Will the House agree to the motion?

YEAS—168

Adolph	Everett	Longietti	Reed
Baker	Fabrizio	Maher	Reichley
Barbin	Fairchild	Mahoney	Roebuck
Barrar	Farry	Major	Ross
Bear	Fleck	Manderino	Sabatina
Belfanti	Frankel	Mann	Sainato
Benninghoff	Freeman	Markosek	Santarsiero

Beyer	Galloway	Marshall	Santoni
Bishop	Geist	Marsico	Saylor
Boback	George	Matzie	Scavello
Boyd	Gerber	McGeehan	Seip
Boyle	Gergely	McI. Smith	Shapiro
Bradford	Gibbons	Melio	Siptroth
Brennan	Gingrich	Miccarelli	Smith, K.
Briggs	Goodman	Micozzie	Smith, M.
Brown	Grucela	Miller	Smith, S.
Burns	Hahn	Mirabito	Solobay
Buxton	Haluska	Moul	Sonney
Caltagirone	Hanna	Mundy	Staback
Carroll	Harhai	Murphy	Stern
Casorio	Harhart	Murt	Stevenson
Clymer	Harkins	Mustio	Sturla
Cohen	Harper	Myers	Swanger
Conklin	Harris	O'Brien, D.	Taylor, J.
Costa, D.	Helm	O'Brien, M.	Taylor, R.
Costa, P.	Hennessey	Oliver	Thomas
Cruz	Hess	Pallone	True
Curry	Hickernell	Parker	Turzai
Daley	Hornaman	Pashinski	Vereb
Day	Houghton	Payne	Vitali
Deasy	Johnson	Payton	Vulakovich
Delozier	Josephs	Peifer	Wagner
DeLuca	Keller, W.	Perzel	Wansacz
DePasquale	Kessler	Petrarca	Waters
Dermody	Killion	Petri	Wheatley
DeWeese	Kirkland	Phillips	White
DiGirolamo	Knowles	Pickett	Williams
Donatucci	Kortz	Preston	Youngblood
Drucker	Kotik	Quigley	Yudichak
Eachus	Krieger	Quinn	
Ellis	Kula	Ravenstahl	McCall,
Evans, D.	Lentz	Readshaw	Speaker
Evans, J.	Levdansky		

NAYS—31

Brooks	Gabler	Metcalfe	Roae
Causer	Gillespie	Metzgar	Rock
Christiana	Godshall	Milne	Rohrer
Cox	Grell	O'Neill	Samuelson
Creighton	Grove	Oberlander	Schroder
Cutler	Hutchinson	Perry	Tallman
Denlinger	Kauffman	Pyle	Toepel
Gabig	Keller, M.K.	Rapp	

NOT VOTING—0

EXCUSED—3

Millard	Reese	Watson
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A majority of the members required by the rules having voted in the affirmative, the question was determined in the affirmative and the motion was agreed to.

BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 708, PN 3903**, entitled:

An Act establishing a recycling program for certain covered devices; imposing duties on manufacturers and retailers of certain covered devices; providing for the powers and duties of the Department of Environmental Protection and for enforcement; establishing the Electronic Materials Recycling Account in the General Fund; and prescribing penalties.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER. The question is, shall the bill pass finally? Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—169

Adolph	Evans, J.	Longietti	Reed
Baker	Everett	Maher	Reichley
Barbin	Fabrizio	Mahoney	Roebuck
Barrar	Fairchild	Major	Ross
Bear	Farry	Manderino	Sabatina
Belfanti	Fleck	Mann	Sainato
Beyer	Frankel	Markosek	Samuelson
Bishop	Freeman	Marsico	Santarsiero
Boback	Galloway	Matzie	Santoni
Boyd	Geist	McGeehan	Saylor
Boyle	George	McI. Smith	Scavello
Bradford	Gerber	Melio	Schroder
Brennan	Gergely	Metzgar	Seip
Briggs	Gibbons	Miccarelli	Shapiro
Brown	Gingrich	Micozzie	Siptroth
Burns	Goodman	Milne	Smith, K.
Buxton	Grell	Mirabito	Smith, M.
Caltagirone	Grucela	Moul	Solobay
Carroll	Hahn	Mundy	Sonney
Casorio	Haluska	Murphy	Staback
Christiana	Hanna	Murt	Stern
Clymer	Harhai	Mustio	Sturla
Cohen	Harhart	Myers	Tallman
Conklin	Harkins	O'Brien, D.	Taylor, J.
Costa, D.	Harper	O'Brien, M.	Taylor, R.
Costa, P.	Harris	O'Neill	Thomas
Cruz	Helm	Oliver	True
Curry	Hennessey	Pallone	Turzai
Cutler	Hess	Parker	Vereb
Daley	Hickernell	Pashinski	Vitali
Day	Hornaman	Payne	Vulakovich
Deasy	Houghton	Payton	Wagner
Delozier	Johnson	Peifer	Wansacz
DeLuca	Josephs	Perzel	Waters
Denlinger	Keller, W.	Petrarca	Wheatley
DePasquale	Kessler	Petri	White
Dermody	Killion	Phillips	Williams
DeWeese	Kirkland	Pickett	Youngblood
DiGirolamo	Kortz	Preston	Yudichak
Donatucci	Kotik	Quigley	
Drucker	Kula	Quinn	McCall,
Eachus	Lentz	Ravenstahl	Speaker
Ellis	Levdansky	Readshaw	

NAYS—30

Benninghoff	Gillespie	Marshall	Roae
Brooks	Godshall	Metcalfe	Rock
Causer	Grove	Miller	Rohrer
Cox	Hutchinson	Oberlander	Smith, S.
Creighton	Kauffman	Perry	Stevenson
Ellis	Keller, M.K.	Pyle	Swanger
Gabig	Knowles	Rapp	Toepel
Gabler	Krieger		

	NOT VOTING—0
	EXCUSED—3
Millard	Reese

Watson

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

SUPPLEMENTAL CALENDAR A

BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 325, PN 3888**, entitled:

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, further providing for exclusions from sales tax, for discount and for exemption certificates, for incidence and rate of tax, for floor tax and for commissions on sales; providing for the taxation of tobacco products; imposing a tax on the extraction of natural gas; providing for natural gas severance registration certificate, for duties of the Department of Revenue, for tax assessments and tax liens; imposing penalties; providing for service of process, for rulemaking, for cooperation with other governments and for bonds; and making an appropriation.

On the question,
Will the House agree to the bill on third consideration?

The SPEAKER. There are three substantive amendments filed to the bill by the gentlemen, Messrs. Tallman, Mirabito, and Solobay.

MOTION TO SUSPEND RULES

The SPEAKER. The gentleman from Adams County wishes to suspend the rules?

Mr. TALLMAN. Yes, Mr. Speaker; I do.

The SPEAKER. The Chair recognizes the gentleman from Adams County, Representative Tallman, who makes a motion to suspend the rules for the purpose of offering amendment A07581.

On the motion, the Chair recognizes the gentleman from Adams County, Representative Tallman.

Mr. TALLMAN. Thank you, Mr. Speaker.

I am offering this motion to suspend the rules for my amendment. And it is, basically, since we are not giving the people of the Commonwealth property tax relief, I would like to have 1 percent of the severance tax money go for wildlife habitat, and I would like for suspension of the rules to make that happen.

On the question,
Will the House agree to the motion?

The SPEAKER. On the question of suspension of the rules, the Chair recognizes the majority leader, Representative Eachus.

Mr. EACHUS. Thank you, Mr. Speaker.

While I respect the gentleman, I am asking for a "no" vote on amendment 7581, on the suspension. Thank you.

The SPEAKER. The Chair thanks the gentleman.

MOTION WITHDRAWN

The SPEAKER. On the question of suspension of the rules, the Chair recognizes the gentleman from Adams County, Representative Tallman.

Mr. TALLMAN. Mr. Speaker, I would like to withdraw that motion.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,
Will the House agree to the bill on third consideration?

The SPEAKER. Does the gentleman from Lycoming County, Representative Mirabito, wish to suspend the rules?

The Chair recognizes the gentleman from Lycoming County, Representative Mirabito.

Mr. MIRABITO. Mr. Speaker, is this on amendment 7652?

The SPEAKER. Correct.

Mr. MIRABITO. Mr. Speaker, this amendment would give part of this severance fee to local communities.

The SPEAKER. The gentleman, Mr. Mirabito, would you suspend for a moment.

Is the gentleman making a motion to suspend the rules?

Mr. MIRABITO. Yes.

MOTION TO SUSPEND RULES

The SPEAKER. If the gentleman could state the motion.

Mr. MIRABITO. A motion to suspend the rules and offer amendment 7652.

The SPEAKER. The Chair recognizes the gentleman from Lycoming County, who makes a motion to suspend the rules for the immediate consideration of amendment A07652.

On the question,
Will the House agree to the motion?

The SPEAKER. On that question, the Chair recognizes the gentleman from Lycoming County, Representative Mirabito.

Mr. MIRABITO. Mr. Speaker, this amendment would take part of this severance fee and pour capital into rural communities across Pennsylvania. The reason being is that we need to use that capital to deal with the effects of the drilling from the Marcellus Shale. Over a period of 6 years, it would take the severance fee, which ultimately will be paid by people outside of Pennsylvania; it will not be paid by Pennsylvanians, because in 2 or 3 years we will be an exporting State. We will export natural gas to Baltimore and to States outside of Pennsylvania.

What this amendment would do is it would allow Pennsylvanians to have people in other States pay for the impact of the Marcellus Shale, especially in our rural communities, by taking 30 percent of the fee and giving it back to local communities and back to control of local communities.

PARLIAMENTARY INQUIRY

The SPEAKER. On the motion, the gentleman, Representative Pyle. For what purpose does the gentleman rise?

Mr. PYLE. Parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman may state his parliamentary inquiry.

Mr. PYLE. Are we speaking on the amendment or on suspension?

The SPEAKER. We are speaking on suspension of the rules.

Mr. PYLE. Thank you, Mr. Speaker.

The SPEAKER. And for the information of the members, the rules do allow for a brief explanation, and I think the operative word there is "brief" explanation of the amendment on suspension of the rules.

On the question of suspension of the rules, the Chair recognizes the majority leader. The gentleman waives off.

MOTION WITHDRAWN

The SPEAKER. A brief explanation of the amendment will suffice.

Mr. MIRABITO. Mr. Speaker, I would like to thank the chairman of the Appropriations Committee for increasing the amount of the local share from 10 to 20 percent in his bill and ask him to continue to work with us to increase that to 30 percent. And having confidence that will be done, I withdraw my amendment.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the bill on third consideration?

Mr. D. EVANS. Mr. Speaker?

The SPEAKER. For what purpose does the gentleman from Philadelphia, Representative Evans, rise?

Mr. D. EVANS. Mr. Speaker, I would like to respond to the gentleman who just withdrew his amendment.

The SPEAKER. The gentleman is recognized under unanimous consent.

Mr. D. EVANS. Okay.

Mr. Speaker, I would like to take the gentleman up on what he just said. I said it privately and I will say it publicly; he is correct. He has been leading this effort, along with Bud George, in terms of this severance tax issue. The gentleman does have a lot of good ideas, and I indicated to him, like I did in the caucus, in public, that I am willing to work with him towards his objective about local share and to do something about that. I just explained to him about the numbers, and I am more than glad to work with the gentleman.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the bill on third consideration?

The SPEAKER. The gentleman from Washington County, Representative Solobay, has a substantive amendment that would require a suspension of the rules. Does the gentleman wish to suspend the rules?

We will go over that amendment temporarily.

On the question recurring,

Will the House agree to the bill on third consideration?

The SPEAKER. The gentleman, Representative Levdansky, has a substantive amendment. Does the gentleman wish to suspend the rules? The gentleman, Mr. Levdansky.

Mr. LEVDANSKY. Mr. Speaker, I first wish to be recognized whenever we get to the discussion on final passage on this bill.

The SPEAKER. Are you withdrawing your amendment?

Mr. LEVDANSKY. No; no. I just wish to be recognized when we begin the debate on the bill.

The SPEAKER. Well, the question before the House is the amendments that have been filed.

Mr. LEVDANSKY. Okay. We will do it now then, Mr. Speaker.

The SPEAKER. Is the gentleman, Representative Levdansky, wishing to suspend the rules?

Mr. LEVDANSKY. No, Mr. Speaker.

Mr. Speaker—

The SPEAKER. Will the gentleman yield.

For what purpose does the gentleman rise?

Mr. LEVDANSKY. Mr. Speaker, I would like to explain where we are relative to this particular bill.

The SPEAKER. The gentleman, Representative Levdansky, the bill is not on final passage at this point. There are other amendments that are filed to this bill that would require a suspension of the rules, and the Speaker is going through the list of members that have substantive amendments filed to this bill that would require a suspension of the rules. You are one of them.

Do you wish to suspend the rules for your amendment or are you withdrawing the amendment?

Mr. LEVDANSKY. No; no, Mr. Speaker. I am not withdrawing.

Mr. Speaker, if I may, briefly?

The SPEAKER. You would be in order to make a motion at this point to suspend the rules for the immediate consideration of your amendment and nothing else.

Mr. LEVDANSKY. Yes; I understand.

Mr. Speaker, when you are talking about a severance tax, there are—

The SPEAKER. Will the gentleman yield. Will the gentleman yield.

There is no question before the House. Do you wish to suspend the rules?

Mr. LEVDANSKY. I wish to briefly explain my amendment and why it would be necessary to make a motion – briefly.

The SPEAKER. You will get to explain that when you make the motion to suspend the rules.

Mr. LEVDANSKY. Okay. Mr. Speaker, for a variety of reasons, I believe that this bill is fatally flawed in terms of how it puts in place—

The SPEAKER. Will the gentleman yield.

Mr. LEVDANSKY. —a severance tax and thus—

The SPEAKER. The gentleman will yield.

You do not have the microphone to make a speech on the floor of the House, Representative Levdansky. If you are going to make a motion, you are recognized to make a motion. Then you can speak on your amendment.

MOTION TO SUSPEND RULES

Mr. LEVDANSKY. And thus I would like to move that we suspend the rules so that we may consider amendment A7678 to HB 325.

The SPEAKER. The Chair thanks the gentleman.

The gentleman from Allegheny County, Representative Levdansky, makes a motion to suspend the rules for the immediate consideration of amendment A07678.

On the question,

Will the House agree to the motion?

The SPEAKER. On that motion, the Chair recognizes the gentleman from Allegheny County, Representative Levdansky—

Mr. LEVDANSKY. Thank you, Mr. Speaker.

The SPEAKER.—for a brief, operative word—

Mr. LEVDANSKY. I understand.

The SPEAKER.—"brief," statement on his amendment.

Mr. LEVDANSKY. Thank you, Mr. Speaker.

Mr. Speaker, when you are looking at a severance tax, there are essentially two components. It is on how you apply the tax and how you allocate the revenue from it.

I disagree with the language contained in HB 325, both in terms of how the tax is levied but most importantly on how the tax is distributed. I think an 80-20 split State/local share is not nearly enough, and my amendment would essentially, and especially importantly, change the distribution share so that the State gets an appropriate amount this year, a base allocation of \$50 million plus 50 percent. And the remaining 50 percent over the base allocation can be used to fund the needs of local governments, conservation, environment, wildlife management, LIHEAP (Low-Income Home Energy Assistance Program), and a variety of other purposes. My amendment would effectuate that significant change in the language to HB 325.

The SPEAKER. The Chair thanks the gentleman.

On the question of suspension of the rules, the Chair recognizes the majority leader, Representative Eachus.

Mr. EACHUS. Once again, while I respect the gentleman from Allegheny, I ask for a "no" vote on suspension. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question, for what purpose does the gentleman, Mr. Schroder, rise?

Mr. SCHRODER. Mr. Speaker, would I be in order to interrogate the maker of the amendment?

The SPEAKER. No. The amendment is not before the House. It is just the motion to suspend, and that is only debatable by the leaders, the maker of the motion, and the prime sponsor of the amendment or legislation.

Mr. SCHRODER. Thank you, Mr. Speaker.

PARLIAMENTARY INQUIRY

Mr. SCHRODER. Would I be in order to make a parliamentary inquiry?

The SPEAKER. The gentleman is in order and may proceed.

Mr. SCHRODER. Mr. Speaker, I am wondering if you can explain to the House why we are seeing HB 325 and these amendments for the first time on third consideration? Why we

are not able to vote these amendments, the Levdansky amendment in particular, on second?

The SPEAKER. Because the bill is on third consideration.

Mr. SCHRODER. And why is the bill on third today? Was it amended in Appropriations on second, perhaps?

The SPEAKER. The bill was rereferred to the Appropriations Committee on third and amended in the Appropriations Committee.

Mr. SCHRODER. So the bill was amended in the Appropriations Committee thereby precluding or requiring Representative Levdansky to pass the hurdle of a two-thirds suspension vote in order to get his amendment voted on. Is that correct?

The SPEAKER. Unfortunately, our rules do not provide for amendments on third without a suspension of the rules, according to our new rules. When we had this debate back in—

Mr. SCHRODER. I do recall the debate, Mr. Speaker.

The SPEAKER.—June of '09.

Mr. SCHRODER. I believe I recall that debate; yes.

Mr. Speaker, would I be in order to comment anymore, or would I be able to comment later on this particular issue?

The SPEAKER. You can comment after we get rid of the motion or vote on the motion on the suspension of the rules.

Mr. SCHRODER. All right. I will do that. Thank you.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,
Will the House agree to the motion?

YEAS—104

Adolph	Everett	Kula	Ross
Baker	Fairchild	Lentz	Sabatina
Barbin	Farry	Levdansky	Samuelson
Beyer	Fleck	Mahoney	Santarsiero
Boback	Frankel	Major	Scavello
Boyle	Freeman	Manderino	Schroder
Bradford	Galloway	Marshall	Seip
Brennan	George	McGeehan	Shapiro
Briggs	Gergely	McI. Smith	Siptroth
Brooks	Gibbons	Miccarelli	Smith, K.
Burns	Goodman	Micozzie	Smith, M.
Caltagirone	Grove	Milne	Solobay
Carroll	Hahn	Mirabito	Staback
Casorio	Haluska	Moul	Stern
Clymer	Hanna	Mundy	Stevenson
Conklin	Harhai	O'Neill	Sturla
Costa, D.	Harper	Pallone	Tallman
Costa, P.	Hennessey	Peifer	Thomas
Creighton	Hornaman	Petri	Vitali
Cruz	Houghton	Pickett	Vulakovich
Curry	Josephs	Quinn	Wagner
DeLuca	Keller, W.	Readshaw	Wansacz
Denlinger	Kessler	Reed	Waters
DePasquale	Killion	Reichley	White
DeWeese	Kortz	Roebuck	Youngblood
Drucker	Kotik	Rohrer	Yudichak

NAYS—95

Barrar	Gabig	Mann	Preston
Bear	Gabler	Markosek	Pyle
Belfanti	Geist	Marsico	Quigley
Benninghoff	Gerber	Matzie	Rapp
Bishop	Gillespie	Melio	Ravenstahl
Boyd	Gingrich	Metcalfe	Roae
Brown	Godshall	Metzgar	Rock
Buxton	Grell	Miller	Sainato
Causer	Grucela	Murphy	Santoni

Christiana	Hanhart	Murt	Saylor
Cohen	Harkins	Mustio	Smith, S.
Cox	Harris	Myers	Sonney
Cutler	Helm	O'Brien, D.	Swanger
Daley	Hess	O'Brien, M.	Taylor, J.
Day	Hickernell	Oberlander	Taylor, R.
Deasy	Hutchinson	Oliver	Toepel
Delozier	Johnson	Parker	True
Dermody	Kauffman	Pashinski	Turzai
DiGirolamo	Keller, M.K.	Payne	Vereb
Donatucci	Kirkland	Payton	Wheatley
Eachus	Knowles	Perry	Williams
Ellis	Krieger	Perzel	
Evans, D.	Longietti	Petrarca	McCall,
Evans, J.	Maher	Phillips	Speaker

NOT VOTING—0

EXCUSED—3

Millard	Reese	Watson
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Less than a majority of the members required by the rules having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration?

The SPEAKER. The House will be at ease.

The House will come to order.

MOTION TO SUSPEND RULES

The SPEAKER. Does the gentleman from Washington County, Representative Solobay, wish to suspend the rules for the immediate consideration— The gentleman has two late-filed amendments. Is it the gentleman's intention to suspend the rules to offer those amendments?

Mr. SOLOBAY. Thank you, Mr. Speaker.

The second-filed amendment; I do not have the numbers in front of me.

The SPEAKER. The Chair recognizes the gentleman from Washington County, Representative Solobay, who makes a motion to suspend the rules for the purpose of offering amendment A07707, which the clerk will read.

The clerk read the following amendment No. A07707:

Amend Bill, page 49, by inserting between lines 12 and 13
Section 2229. Commonwealth resident employment.

(a) Employment opportunities.—The department shall promote and ensure the availability of employment opportunities for Commonwealth residents in the natural gas severance industry. The department shall work with each producer, whether a contractor or subcontractor, to ensure that a significant number of Commonwealth residents are employed by a producer relating to natural gas severance in this Commonwealth. By the end of the third year following the grant of a natural gas severance tax registration certificate under section 2205, Commonwealth residents shall comprise at least 80% of each producer's natural gas severance-related employees in this Commonwealth, whether the producer is a contractor or a subcontractor.

(b) Review.—The department shall conduct an annual review to

ascertain a producer's progress in achieving the goals under subsection (a) and whether the producer has taken effective and meaningful action to employ Commonwealth residents in natural gas severance-related positions in this Commonwealth. The first review shall be completed one year following the grant of a natural gas severance tax registration certificate under section 2205. The annual review shall contain recommendations that the department determines appropriate. The review shall be submitted to the chairman and minority chairman of the standing committees of the Senate and of the House of Representatives with jurisdiction over this article.

On the question,
Will the House agree to the motion?

The SPEAKER. On the question of suspension of the rules, the Chair recognizes the gentleman from Washington County, Representative Solobay, for a brief explanation.

Mr. SOLOBAY. Thank you, Mr. Speaker.

Basically, as we move forward, whether or not we are going to do a severance or not, one main thing remains constant: We have roughly a 9-percent unemployment rate in Pennsylvania. This bill will give a date certain that the workforce utilized with the natural gas industry will be an 80-percent-Pennsylvanian workforce if this amendment gets put into the bill. We did a very similar amendment in the gaming law when we did table games last year, and it was well-received by the local workforce in the Commonwealth, and I would ask for a suspension to be able to offer this amendment.

The SPEAKER. On the question of suspension of the rules, the Chair recognizes the majority leader, Representative Eachus. The gentleman is recognized.

Mr. EACHUS. The gentleman from Washington knows I have a great deal of personal admiration for him and his work, but I do oppose the suspension, Mr. Speaker.

On the question recurring,
Will the House agree to the motion?

YEAS—127

Adolph	Fairchild	Kotik	Quinn
Baker	Farry	Krieger	Ravenstahl
Barbin	Fleck	Kula	Readshaw
Barrar	Frankel	Lentz	Reed
Bear	Freeman	Levdansky	Reichley
Belfanti	Gabig	Longietti	Ross
Beyer	Gabler	Maher	Sabatina
Boback	Galloway	Mahoney	Sainato
Boyd	Geist	Major	Samuelson
Boyle	George	Markosek	Santarsiero
Bradford	Gergely	Marshall	Scavello
Brennan	Godshall	Matzie	Schroder
Briggs	Grove	McGeehan	Shapiro
Brooks	Grucela	Metcalfe	Siptroth
Caltagirone	Hahn	Metzgar	Smith, K.
Casorio	Haluska	Miccarelli	Smith, M.
Causer	Harhai	Micozzie	Smith, S.
Christiana	Harkins	Milne	Solobay
Costa, D.	Harper	Mirabito	Sonney
Costa, P.	Harris	Moul	Staback
Daley	Helm	Mundy	Stern
Day	Hennessey	Mustio	Stevenson
Deasy	Hess	O'Brien, M.	Swanger
Delozier	Hickernell	O'Neill	Tallman
DeLuca	Hornaman	Pallone	Taylor, J.
Denlinger	Houghton	Payne	Vereb
DeWeese	Hutchinson	Peifer	Vulakovich
DiGirolamo	Keller, W.	Perzel	Wagner
Drucker	Kessler	Petrarca	Wansacz

Evans, J.	Killion	Petri	White
Everett	Knowles	Phillips	Yudichak
Fabrizio	Kortz	Pickett	

NAYS—68

Benninghoff	Evans, D.	Melio	Rohrer
Bishop	Gerber	Miller	Santoni
Brown	Gibbons	Murphy	Saylor
Burns	Gillespie	Murt	Sturla
Buxton	Gingrich	Myers	Taylor, R.
Carroll	Goodman	O'Brien, D.	Thomas
Clymer	Grell	Oberlander	Toepel
Cohen	Hanna	Oliver	True
Conklin	Harhart	Parker	Turzai
Cox	Johnson	Perry	Vitali
Creighton	Josephs	Preston	Waters
Curry	Kauffman	Pyle	Wheatley
Cutler	Keller, M.K.	Quigley	Williams
DePasquale	Kirkland	Rapp	Youngblood
Dermody	Manderino	Roae	
Donatucci	Mann	Rock	McCall,
Eachus	Marsico	Roebuck	Speaker
Ellis	McI. Smith		

NOT VOTING—4

Cruz	Pashinski	Payton	Seip
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EXCUSED—3

Millard	Reese	Watson
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Less than a majority of the members required by the rules having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration?

Bill was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER. The question is, shall the bill pass finally?

On that question, the Chair recognizes the gentleman from Delaware County, Representative Adolph.

Mr. ADOLPH. Thank you, Mr. Speaker.

Mr. Speaker, I rise to oppose HB 325, and I am sure it does not come as a surprise to Chairman Evans. I have made myself clear that until the Governor as well as the House Democrats are willing to sit down and decrease the proposed \$29 billion spending plan, in clear conscience, I do not believe we are able to even consider taxes of any kind until we have a spending plan that makes sense.

I just want to bring up a couple of facts. Currently we are operating at a budget of \$28 billion. We are bringing in revenue of roughly \$27 billion – a \$1 billion revenue shortfall. With that being said, the spending plan is \$29 billion. This tax proposal increases revenue by \$317 million. It does not quite make sense to me. The spending plan does not make sense to me.

The big part of this tax plan is a tax on the extraction of natural gas in the Commonwealth of Pennsylvania. This particular proposal is roughly about a 60-percent increase in what the Governor proposed in his budget address in February. This proposal, without a doubt, would be the largest severance tax in the nation. When you consider the regulations that we put on this industry as well as our already high corporate net income tax, it is very possible that we will be chasing tens of thousands of jobs out of Pennsylvania before they even got here.

Just recently members of the House Republican Appropriations Committee traveled to western Pennsylvania and went to a gas drilling site. We saw firsthand the amount of capital equipment that it costs to drill this gas, the amount of manpower necessary. They brought to our attention the State of Texas, which has a very high severance tax. However, they noted that the first several years there is no tax whatsoever as these companies incur these capital expenditures.

The State of West Virginia, a neighbor of ours in the western part of the State, has had neutral revenue, a level stream for many years. Why? Because the gas industry has decided not to continue to drill new wells in West Virginia, unlike the State of Arkansas who starts out with a smaller rate of tax while these companies are incurring these tremendous costs.

I am looking for balance here. We are looking to do things right. We have a very good chance here to bring an industry into the Commonwealth that will bring hundreds of thousands of jobs, good-paying jobs, but also, you do not want to chase them before they get started. Arkansas starts taxing them at a very low rate and then steps up the tax rate as they move on to another well.

It is amazing how a proposal of a severance tax could upset both the environmental community of Pennsylvania as well as the gas industry of Pennsylvania. Why the rush? Why the rush? It does not balance the budget.

Let us talk a little bit about the vendor's tax, the vendor's discount. The reason why the retailers of Pennsylvania receive a discount for collecting this tax is because they collect it as an agent for the Commonwealth of Pennsylvania. But more importantly, more importantly, in order to get the discount, they must remit it on time.

I had a company located in Chester County, Pennsylvania, come to my office this week, and they collect \$19 million in sales tax. They will lose a discount of \$190,000. Mr. Speaker, \$190,000 can pay for a couple jobs here in the Commonwealth. These are not corporate taxes; these are the Commonwealth's sales taxes.

Another tax in this tax package is increasing the cigarette tax by 10 cents per pack, but in the language, they remove the 90-day period that allows retailers to sell the cigarettes so they can remit the tax. This will be an unbelievable cost to our retailers. They will have to come up with 10 cents a pack on every pack of cigarettes they have prior to even selling the cigarettes. I do not know why this change was made. It is not going to change the amount of tax that Pennsylvania collects; it is just going to be an added burden, an added cost, for our Pennsylvania retailers, both large and small.

In closing, I have offered Chairman Evans to sit down with him to discuss a budget, a spending plan in line with the revenue that we are collecting in this Commonwealth of

Pennsylvania. As of today we have not been able to sit down and talk about the spending plan. We have approximately 2 weeks left before this budget is due, constitutionally, by June 30. I believe this tax bill that we are moving today is unrealistic and expensive. It does not balance a budget. There is no Senate agreement on this. It is a process that is unsustainable.

So I hope my colleagues on both sides of the aisle will take a real look at this, at what they are being asked to vote for – a \$317 million tax package when we are already \$2 billion in the hole. Thank you.

The SPEAKER. On the question, the Chair recognizes the gentleman from Allegheny County, Representative Turzai.

Mr. TURZAI. Thank you very much, Mr. Speaker.

I rise in opposition to this tax proposal and would urge my colleagues to vote "no."

This is a \$320 million tax increase, and I would like everybody to contemplate what the consequences of this tax increase will be. It will impact Pennsylvania growth in a negative way. It will impede job growth, wealth growth, and capital growth. The fact of the matter is, particularly with respect to the severance tax on natural gas, this is an antigrowth tax, it is an antijobs tax, it is an antimanufacturing tax, and it is an antienergy independence tax.

Today a number of us had an opportunity to speak with leaders from the Pittsburgh region, from the Allegheny Conference, and we talked about the growth that is occurring with respect to the Marcellus Shale natural gas formation. Who is benefiting from this growth? Landowners; folks that had property or farms, many of them failing, that had never seen any income from their ownership of land. Today all across the northern tier, people are being paid lease payments and royalty payments by this growth of actually drilling for natural gas. Why would we want to stop those individuals from finally seeing income from the land that they have owned for years?

Second: Restaurants, hotels, small businesses in these same areas where they had not seen growth before, they are filled to the capacity. You hear it anecdotally. They are seeing an investment of capital in their businesses when they had not ever seen that before. They are actually going to have the opportunity to grow. One hundred thousand new jobs in the natural gas industry in and of itself, new employees – engineering, welding, drilling; good-paying positions. We need to work with the technical schools and the universities to get our workforce trained so that Pennsylvania employees get those jobs. And they will; they will.

Here is a thought, and this was mentioned by those leaders: manufacturing resurgence up in the Northeast. It was told to me today that Procter & Gamble is not expanding their manufacturing facility in the South; they are expanding their manufacturing facility in the Northeast, Pennsylvania. Why? Because their ability to get natural gas for their plant – because that natural gas is being developed in our State and there are not transportation costs – is much cheaper. That bottom-line cost in and of itself is an incentive, is an incentive to expand their manufacturing operations.

And let me say this: From an environmental perspective, overall it is positive, positive, positive to develop natural gas because natural gas is cleaner than so many other forms of energy. We want people to be using natural gas. In fact, we need to be thinking outside the box. We need to hope that the entrepreneurs of tomorrow develop more transportation vehicles that are fueled by natural gas – energy independence.

In the Pittsburgh region, we, even though the growth is in counties from the far northeast to the northwest down to the southwest, that growth is occurring all over the State. I will say this about my hometown region: Pittsburgh and the surrounding communities – Washington County, Butler County, Beaver County, in addition to Allegheny County – these areas are developing into the energy capital, particularly the natural gas energy capital, not only for our region but for the entire United States. That capital, headquarters are locating in the Pittsburgh region and in the surrounding counties not only to develop or drill natural gas, but in addition, they are doing it for those service industries with respect to natural gas. We want to make sure it is done safely, cleanly, but for the first time in a long while, there is real capital from all over the world coming into the State of Pennsylvania. It is a pro-growth, pro-environmental position, and why would we want to stymie that?

Take a look at New York. They have a natural gas shale play, too, and there is zero development because of their punitive tax structure. This is a punitive tax measure. It is antigrowth, antienergy independent, antifamily, antijob.

As pointed out by the Marcellus Shale Coalition, of the four main States that presently have development, the tax on the table is an 8-percent tax on the market value of natural gas and an 8-cents-per-thousand-cubic-foot additional tax. That is a punitive tax. That is a tax that is designed to shut down drilling in the State of Pennsylvania with respect to natural gas, and that is not right.

I will tell you that the landowners, the employees, the manufacturing base, the restaurants, the hotels, the new businesses locating in western Pennsylvania and in the north, you are telling them by voting "yes" that you are against this growth, you are against this economic activity, and I think that is a wrong vote for Pennsylvania.

Please vote "no." Thank you.

The SPEAKER. On the question, the Chair recognizes the gentleman from Chester County, Representative Schroder.

Mr. SCHRODER. Thank you, Mr. Speaker.

Mr. Speaker, I rise to state my intention to vote against the legislation for many of the reasons that the gentleman from Allegheny County offered.

I would also just like to hearken back, if we can, to the discussion earlier on the floor when Representative Levdansky attempted to suspend rules to offer his amendment and a couple of the points that I brought up. The Levdansky amendment, arguably, would have made, in my view at least, a bad bill a little less bad. It would have improved, in my opinion, the distribution of the Marcellus Shale severance tax proceeds in order to fund various environmental programs. Yet, Mr. Speaker, we were not permitted to have an up-or-down vote on the Levdansky amendment because of a process that I really, truly believe is an abuse of the legislative process, and that is the fact that the old gut-and-run amendment process was used during this legislation, and unfortunately, is alive and well here in the House once again.

This bill, as I understand it, was amended on second consideration in Appropriations and completely rewritten, and therefore, the amendments that were offered – originally timely, such as Representative Levdansky's – unfortunately, were no longer in order. Mr. Speaker, this, in my opinion, and I have said this on the House floor before, is an abuse of the legislative process. The Appropriations Committee, just like the Rules Committee, should not have the power to offer substantive

amendments to bills like that. They should be limited in their scope to the fiscal impact of the bill. Yet here we had the Appropriations Committee acting as, you know, the Environmental Committee, I guess, or the tax committee, whichever one it was, and being amended as such.

So, Mr. Speaker, I just want to express my disappointment with the process. It would have been, I think, good to have the vote on the Levdansky amendment, since it would have at least better apportioned some of the proceeds that are at issue here. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

VOTE CORRECTION

The SPEAKER. The Chair recognizes the gentleman from Schuylkill County, Representative Seip.

Mr. SEIP. Thank you.

Mr. Speaker, I would like to correct the record. Mr. Speaker, I would like to correct the record, if I may?

The SPEAKER. The gentleman is in order and may proceed. Is it on this legislation?

Mr. SEIP. On the previous motion that was last voted.

The SPEAKER. The gentleman will correct the record. He is in order.

Mr. SEIP. Thank you, Mr. Speaker.

My device did not record anything. I would like to be recorded in the affirmative.

The SPEAKER. Will the gentleman refer, was it on a motion or was it on an amendment?

Mr. SEIP. On the motion to suspend the rules, Mr. Speaker.

The SPEAKER. Levdansky's?

Mr. SEIP. No; Solobay, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman. His remarks will be spread upon the record.

CONSIDERATION OF HB 325 CONTINUED

The SPEAKER. The Chair recognizes the gentleman from Bucks County, Representative Petri.

Mr. PETRI. Thank you, Mr. Speaker.

Mr. Speaker, like myself, I am sure you are hearing from constituents, and what are constituents telling us? They are telling us two things. Number one, that they are tired of paying new taxes and fees, they are fed up, and they cannot afford it any longer. The second thing I am hearing is that we need to take a balanced approach. Okay. I think, Mr. Speaker, we recognize what that means. What it does not mean is that you vote to increase spending and you create the revenue to do so before you have taken the necessary red pen and slashed and cut where you can.

Mr. Speaker, if we were operating a private business, we would have laid off as many employees as it took in order to meet operating expenses. We are not a business, and we have other responsibilities, yet I think the point is that when constituents say "take a balanced approach," they are not looking for us, in my opinion, Mr. Speaker, of increasing the amount we are going to spend before we have taken the necessary cuts to spending.

In other words, I think we are operating in reverse, Mr. Speaker. What we should do is calculate the amount that we can afford to spend, make the necessary adjustments, and if and

only if we are short for programs that are essential to the Commonwealth for this year, then we should look toward other sources of revenue. But that is not how this place works, Mr. Speaker, and all of us in this chamber know that the intent of this legislation is to try to force the Commonwealth to spend more money this year than it did last year, and that is just plain wrong.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Allegheny County, Representative Frankel.

Mr. FRANKEL. Thank you, Mr. Speaker.

It will not surprise anybody that I take issue with some of the things my colleague from Allegheny County, the minority whip, presented today. But I want to take a different view of this, particularly with respect to energy.

I think my colleagues stand behind a new industry that they want to see developed, a new energy source, and do it safely and responsibly. But the fact of the matter is that historically, if we take a look at what took place over the past 100 years, the 20th century, we see a history of an energy industry, the coal industry, that left the landscape of Pennsylvania scarred without leaving us the resources to address it. We have an opportunity to correct that with this new industry. And it is not a tax that is unprecedented throughout this country; virtually every other energy-producing State in this nation has an extraction tax on energy. Whether it is Sarah Palin's Alaska or George Bush's Texas, they have an extraction tax. Our neighbor to the south, West Virginia, has an extraction tax that is garnering that State in excess of \$1/2 billion a year in revenue.

Now, I would have preferred the Levdansky distribution as well and voted for a suspension there, but this bill also provides resources to our agencies that will be responsible for regulating and overseeing as well as local governments who will need the resources to repair the damage done to their local communities. We have a responsibility to do that. And again, are we supposed to be the only State in the country that has a resource of energy and not tax it at a time when our local communities and our State need the resources to protect ourselves, to remediate the damages that are done? We should take lessons from the 20th century and not repeat what took place then.

On another portion of this tax, we take a look at taxing smokeless tobacco and cigars. Again, like the extraction tax, every State in this country other than Pennsylvania has a tax on smokeless tobacco. It is an important tax, not just from the standpoint of revenue, but it is an important tax in terms of public health. We know today that young people are turning to smokeless tobaccos, an alternative to cigarettes, as an entry into tobacco abuse. We have a responsibility twofold again to find not only revenue that other States are garnering, but also to protect the public health of Pennsylvanians.

These two taxes make an enormous amount of sense and do not put Pennsylvania in an uncompetitive position, so I would ask my colleagues to support this HB 325 and move this process forward. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Blair County, Representative Stern.

Mr. STERN. Mr. Speaker, thank you.

I just wanted to maybe contradict the previous speaker in some of the things that he just mentioned about renewable energy and clean energy and so forth. We had a hearing just recently in southern Huntingdon on wind energy, which is a

renewable energy source. And getting back to HB 325 and the provisions that are in HB 325 with the severance tax, making it the highest tax in the nation just goes against helping the natural gas industry and promoting clean energy in Pennsylvania. We have a fledgling industry here in Pennsylvania, and we have heard from many that are producing, that are in the industry itself, that if they are not here in Pennsylvania, there are other places for them to go to. They are looking at West Virginia and New York, pulling out of those areas, but also there are pockets in Arkansas that they can go to, Texas. They can go other places to drill.

I just met with a manufacturing firm in my district on Thursday. On Thursday they told me that they just hired 25 new employees, welders. It is a manufacturing company. They are dependent upon the Marcellus Shale. And these are real jobs. These are jobs that are \$50,000, \$60,000-plus jobs. The last thing that the president of this company said to me, it is just a small company. It is building up to 100-plus employees, but that is not bad in little small communities like I represent. These jobs are real jobs, they pay very well, and they keep young people in our communities. But they are moving and they will go someplace else if we just drive this new industry out of the State.

When we look at renewable energies, and there were photos shown at a hearing that I attended, a Policy hearing that Representative Saylor had in southern Huntingdon in Representative Fleck's district, but we had a chance to look at windmills and we had a chance to look at the topography from the air that shows windmills in the Alleghenies region of Pennsylvania where these windmills are located across the mountaintops of Pennsylvania. When we want to talk about what we have done and destroying ridgelines and everything else in Pennsylvania over the last hundred years, maybe that is what we should be looking at on the environmental side. But it seems like this administration, this Department of Environmental Protection, they are all supportive of clean energy, wind energy, even though it is destroying mountaintops in Pennsylvania. And we look at what it does to nature, to some of the things as far as the ability of animals, bald eagles, some of the birds, migratory birds. All the other things that windmills affect we are not talking about here today, but those are issues regarding clean energy that we need to take a look at.

I just think that taxing a natural gas industry that is fledgling, trying to build itself up, is just the wrong way to go. I am not saying that a severance tax at some point in time down the road would not be necessary, but now is not the right time. So I would ask members to vote against HB 325. I just think it is the wrong way to be trying to grow Pennsylvania jobs and business and industry.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question, the Chair recognizes the gentleman from Greene County, Representative DeWeese. The gentleman waives off.

The Chair recognizes the gentleman from Allegheny County, Representative Levダンsky.

Mr. LEVDANSKY. Thank you, Mr. Speaker.

Mr. Speaker, after listening to debate on this bill, especially relative to the component relative to the severance tax, I find myself reminiscing about the words of an old song from the 1970s. I forget the group, but the words, the lyrics, go like this:

"Stuck in the middle with you, and I'm wondering what it is I should do." Mr. Speaker, in my 25 years in the General Assembly, I have always sought to do the right thing above all else, and the real test, at least for me, is to do what I think is right. Even when those of my colleagues and leaders disagree with me, I have always, always been loyal to my caucus. But, Mr. Speaker, there comes a time when principle has to matter in this chamber.

Mr. Speaker, I find myself looking at a bill that includes what some would call a severance tax proposal, but this is not the kind of severance tax proposal that I and my colleagues on the Finance Committee and on the Environmental Resources Committee have worked so tirelessly over the last year and a half to do and to do right. This bill, as it stands, the severance tax component, looks to me like nothing more than a shameful attempt to generate as much revenue as possible for the State General Fund. Frankly, that is what it represents.

In May, just a month ago, I took the House Finance Committee, over a 2-week period we traveled over a thousand miles in the State from Washington, PA, to Indiana to Lycoming and Williamsport up to Monroe County to make sure that we vetted the issue and truly created a sensible severance tax that would promote a healthy relationship with the natural gas industry but would allow Pennsylvania to recoup a portion of the wealth being created and reinvest it back into our communities, conservation programs, and the environment.

Many of my colleagues in my caucus and from the other side of the aisle participated in those hearings, and we got a lot of really good input on how to improve the language to reflect the priorities of all Pennsylvanians – urban, suburban, and rural – who are interested in this subject. Mr. Speaker, the language contained in this bill as it stands relative to the severance tax does not represent that broad range of interest as to how a severance tax ought to be constructed and how the revenue from it ought to be reallocated from it.

There are lots of problems relative to the language in this bill. There are numerous definitions that are in error and need further clarification. I remember in Indiana we heard from actual well owners, and there is no content here to address the stripper-well-metering issue, which we do not need to require on every gas well as long as the wells are metered and remain below the exemption amount. This is a significant financial burden to people, you know, who own the land that they should not be subject to.

There are significant concerns to exactly what sales meters are and how many of them every producer will need, and major questions, major questions about the gross value formula that will require every individual producer to calculate a different monthly tax rate. Every month there is going to have to be a calculation as to what the sale price of gas is to be reflected in the next month's collection system.

Mr. Speaker, there is no language whatsoever in this bill to protect the private citizens from having their royalties reduced when a severance tax is implemented. The language regarding information required on the returns is incomplete and needs to be addressed as well. There are other errors regarding the types of wells that qualify for the tax and if not addressed will certainly lead to regulatory disarray. These are just some of the examples of serious concerns that I have with this bill that my amendment would have addressed had we been able to suspend the rules and get a vote on it.

Mr. Speaker, just let me summarize this. There are two major differences that I have with this bill: it is how you collect the tax and how you spend it, and how you spend it. I think depending on price is too volatile, that the interests of the State and the communities and the programs to be funded by this revenue are best served by a stable and growing source of tax revenue, not one that is subject to the vicissitudes of the marketplace that establishes the price of natural gas.

Mr. Speaker, and above all, above all, I am extremely opposed to the distribution of revenue that is contained in this bill. The 80-20 split – 80 percent to the State, 12 percent to the local governments, and 8 percent to everything else – does not reflect the priorities of those Pennsylvanians that support a severance tax. Under my formula, 50 percent, 50 percent of the revenue— Well, let me rephrase that, Mr. Speaker. Under my amendment, had it passed, the first \$50 million from the revenue gained from a severance tax would go to the State, and above that, any amount generated above that would have been distributed 50-50. That would have generated approximately \$125 million for this year's budget. But again, Mr. Speaker, we were not allowed to offer that amendment.

But what is really important from the testimony we got across the State is people do not believe that the revenue from this should be used to fund the State General Fund budget or the budget deficit. They want it invested back in the communities. We have an opportunity to do the severance bill the right way. And just like the moratorium legislation, this bill, the severance tax, could have and should have been passed in a bipartisan fashion.

We recognize the needs for the State budget. We could invest in our local communities. We could permanently fund the Growing Greener program long term. We could invest in conservation, environmental protection, wildlife management, adequately fund LIHEAP, adequately fund the Hazardous Sites Cleanup Fund, and put some money aside for a disaster recovery act in case you have a bustout or a blowout that you need to address immediately.

Mr. Speaker, the severance tax is the largest component of this particular piece of legislation. It is the most important piece of this legislation. Mr. Speaker, this vote is not, is not a vote that would just move the process along. This vote reflects our priorities on tax policy as individual members and as a body. It is for these reasons, Mr. Speaker, that I will be voting "no" on this legislation. Thank you.

The SPEAKER. On the question, the Chair recognizes the gentleman from Greene County, Representative DeWeese.

Mr. DeWEESE. Clearfield County, the gas emitting 75 feet in the air. For 16 hours it illuminated the sky. The Marcellus Shale incident was certainly not of cataclysmic proportion, but, Mr. Speaker, it could have been a foretaste as to what might be in the offing.

Never in our collective memory has an environmental concern been as keen as it is today. All we have to think about is what is going on on the coasts of Louisiana, Alabama, Mississippi, and Florida, and then we come right back here to the Keystone State. Notwithstanding the comments of my good friend, the whip from the Republican side from Allegheny County, big Marcellus is not going anywhere. Royal Dutch Shell is not going anywhere. Conoco is not going anywhere. Exxon is not going anywhere.

Mr. Speaker, when you come to Wind Ridge or to Khedive, when you come to the rural townships from whence I come, you can look in 360 degrees and you will see those drilling derricks high in the sky producing the nascent energy that will propel Pennsylvania into a robust economy in the next 10 to 15 years. That is not going to change.

Now, it is hard to take this microphone subsequent to so many eloquent commentaries. But my young friend from Squirrel Hill said it best, and Plato said it even better than Dan Frankel. Plato said that repetition is the first law of learning. And when I think of the inestimably lovely politician from Alaska, at least in some of her attributes, Ms. Palin, I have to think, if it is good enough for Sarah, it is good enough for us.

Now, he also alluded to the gentleman from Texas, Mr. Bush. But how about from the cowboy State? How about Vice President Cheney? Now, when I look at my wonderful colleagues, and I enjoy dinner with you Republicans and I enjoy our camaraderie, but most of you are not as conservative as Dick Cheney, are you? Severance taxes in Wyoming; severance taxes in Alaska; severance taxes in West Virginia, Arkansas, ad infinitum. We need, as Mr. Levdansky said, a fairer share.

One thing I disagree with my honorable colleague a little bit, the previous speaker, he said that this bill, this vote, will reflect our priorities, and he is correct, but those priorities are eminently mutable. The very talented chairman of our Appropriations Committee will be marching across the building and we will continue to engage with our Republican colleagues week after week for the next several weeks. And during the penultimate and the ultimate moments when this budget is being exacted, when we are delineating the exact numbers, my focus will be as it has been as a former leader in this chamber and as a person who knows that we have a responsible obligation to come up with a budget. But today, today I am here speaking on behalf of Marcellus Shale exploration in Greene, Fayette, and Washington Counties. We must, we must put Mr. Levdansky's formula up for more consideration, for more debate – 50-50; 50-50.

What Mr. Frankel said is so true. The depredations and degradations of the northeast and the hills of southwestern Pennsylvania are ineradicably soiled and besmirching our landscapes. I have said it so many times: those rat-infested brick buildings, the metal excreta of the coal-mining industry for 100 years. Now, we have a chance to say something. This is a historic moment. It really is; this springtime, not today necessarily. But right now we are going to have a severance tax or we are not. I believe we shall. The revenues are achingly, anxiously needed to be generated by our General Assembly. Forgive the ridiculous syntax in that last sentence, but I was pretty fired up.

But I really believe that Mr. Evans, Mr. Eachus, our negotiators in all four caucuses will come up with a spending plan. It will be a rigorous vote, and we will make it within a series of weeks. But today, today my vote will be one with Mr. Levdansky. I feel that we have come woefully short on this severance tax formula, and my vote will be in the negative. Thank you.

The SPEAKER. On the question, the Chair recognizes the gentleman from Armstrong County, Representative Pyle.

Mr. PYLE. Thank you, Mr. Speaker.

Mr. Speaker, for those who have not read it yet – and I find it hard to believe anybody would not have read HB 325 yet – you

will notice that contained within this tax bill are four different provisions, not just one on the Marcellus. Mr. Speaker, States such as Texas, Alaska, and other gas-bearing States have been mentioned.

Let us talk about those States, Mr. Speaker. Do they enact a severance tax? Yes, they do. In the case of West Virginia, it is 5 percent. What is not mentioned, Mr. Speaker, is that West Virginia's corporate net income tax is significantly less than Pennsylvania's, and it is cheaper to do business there. West Virginia, like us, has the abundance of Marcellus Shale in shallow stripper wells. Those shallow stripper wells, Mr. Speaker, the ones that have been held in our families, inherited from farmstead to farmstead, will also be attached by a tax they have never had before. Mr. Speaker, in many of those cases, we are talking about elderly people who eke out a day-to-day living, counting on that \$80 to \$100 royalty they get off that well, and now, as HB 325 supposes, we want to put a tax on that.

Enough about the severance tax. Mr. Speaker, can I have order, please? Mr. Speaker?

The SPEAKER. The gentleman will yield.

The House will come to order.

Mr. PYLE. Mr. Speaker—

The SPEAKER. The gentleman will yield.

The House will come to order.

The gentleman, Mr. Pyle, may continue.

Mr. PYLE. Thank you, Mr. Speaker.

Mr. Speaker, underlying this whole debate about whether to tax Marcellus or tax tobacco or eliminate the Delaware loophole or remove the 1-percent incentive for businesses to pay their taxes on time – why the need for more taxes, Mr. Speaker?

A brief history for my colleagues. In February the Governor presented his budget proposal – \$29.1 billion in spending. Mr. Speaker, Pennsylvania, being a balanced-budget State, had to show revenue that matched that \$29.1 billion. At the end of this month, Mr. Speaker, I will bet a dollar to a doughnut with anyone in this place that our revenue projection does not hit \$29.1 billion, and hence brings up the tax increase bill, HB 325.

Mr. Speaker, a thinking man would look at cutting costs before driving up the cost of government business. Here is my question, Mr. Speaker: Have we done anything in the direct cash assistance fraud alleged by Auditor General Wagner? That is \$300 million. That takes that \$29.1 billion down to \$28.8 billion. Mr. Speaker, why is it a person on a DPW (Department of Public Welfare) food card can go buy a \$5 gallon of milk with a \$100 denomination and cash it in for \$95 cash at the register?

Mr. Speaker, before we go into Pennsylvanians' checkbooks and wallets and take that extra pair of shoes away from the kid or that trip to the zoo or going to see a movie with their spouse, we need to look at containing costs within this government, not driving up the tax burden. Perhaps the gentleman from Greene, who I have had dinner with and respect immensely, should look at the State of Arkansas if he wants to look at successful severance models that allow drillers to phase in with a 3-year, 1.25 percent, not a flat 5, in addition to the additional 4 percent captured at the wellhead. For those keeping score, Mr. Speaker, that is 9 percent, which far exceeds any other State that attaches a severance tax to natural gas.

To close, Mr. Speaker, two thoughts from history come to mind. One, can we relieve ourselves of dependence on foreign energy? Yes, we can, and we can heat the entire east coast for

the next 100 years out of what is beneath our feet if we let industry do what it will. And second, Mr. Speaker, is not natural gas one of the cleanest burning fuels out there? To my knowledge, Mr. Speaker, DEP (Department of Environmental Protection) is doing a bang-up job on isolating incidents like Clearfield, which if one goes back and looks at the facts of the matter, the company drilling in Clearfield was ordered to stop 2 days before the blowout and did not. Perhaps a little bit of following the law would go a long way.

Mr. Speaker, I would ask for the honored members to vote against HB 325. I agree with my friend, the gentleman from Allegheny, the Finance chairman: This soup is not ready to serve yet. It needs more work. The diligent, salient vote to make is "no."

Thank you, Mr. Speaker.

FORMER MEMBER WELCOMED

The SPEAKER. If the Chair could just break from debate for one second and would like to introduce a former member, Representative Bob Nyce, seated to the left of the Speaker. Welcome to the hall of the House, Bob.

CONSIDERATION OF HB 325 CONTINUED

The SPEAKER. The Chair recognizes the gentleman from Butler County, Representative Metcalfe.

Mr. METCALFE. Thank you, Mr. Speaker.

Mr. Speaker, it is interesting how some of the members from the other side of the aisle, unlike their President, are trying to embrace the policies of George W. Bush instead of condemning him and blaming him. But what they failed to recognize, and some of them may know it, but I know from the time that I spent in Texas and Alaska, Mr. Speaker, and as I was recalling their tax rates on individuals for a personal income tax, Mr. Speaker, I did not recollect that either State had an income tax levied against their citizens. And on a little further research here on the floor with some staff, I was able to identify that as recent as this year, February 1, 2010, with the information that was available, that Alaska has no income tax for individuals – no income tax, Mr. Speaker, for individuals. So if those who are proposing this bill actually would like to amend this bill to eliminate Pennsylvania's income tax on individuals, I think they actually might find a lot of support for this type of proposal. Along with that, Mr. Speaker, Texas has no income tax on individuals. No income tax on individuals in Texas has been referenced.

So, Mr. Speaker, as they are using Texas and Alaska as examples of why we should enact a severance tax on natural gas, I think they are failing to recognize that those States, many, many years ago when they realized the potential within their States to develop energy and for those energy resources, that they actually passed policies that benefited their citizens in the form of reducing their citizens' tax burden, Mr. Speaker. Whereas when we realized that we have this huge abundance of natural gas resource in Pennsylvania, many that are used to filling the trough for those that feed out of it quite often do not look at it as a way to reduce the tax burden on taxpayers, Mr. Speaker; they look at it as a way to gain access deeper into the pockets of Pennsylvanians for their own spending desires.

And, Mr. Speaker, this current Governor with his

accomplices here has had an insatiable appetite like no other in recent history, an insatiable appetite for more and more tax dollars to feed his appetite, Mr. Speaker, and that is all that this legislation does. Unlike the States of Texas and Alaska where they have actually protected taxpayers by ensuring that taxes out of their energy resources within their own States reduce the tax burden on their citizens, many that run to the vote here today and have been standing up in support of this HB 325 are advocating increasing the tax burden on Pennsylvania citizens, Mr. Speaker – increasing the tax burden. Well, Mr. Speaker, I do not know about you, but I know that many in this General Assembly have heard from their citizens loud and clear over the last year that they are fed up with the increased excessive spending of this General Assembly and this Governor, that they are fed up with being asked to step up and pay more, Mr. Speaker. They do not want to see the tax burden increase; they want to see it decrease.

And I know that many are rolling the dice on this piece of legislation, expecting that the majority of the population will not recognize that their tax burden is being increased because this is on the guy behind the tree, this is on the guy that is drilling for Marcellus shale, this is on the guy who is smoking the cigarettes. But, Mr. Speaker, at the end of the day, any increase in a tax burden hurts every taxpayer, because it increases the appetite of the monster in Harrisburg that keeps devouring the tax dollars.

Mr. Speaker, just last week I joined with some of the members here and folks from outside the General Assembly to stand up and speak out on behalf of taxpayers, to say that we should be reducing the tax burden, reducing the spending, Mr. Speaker. Well, Mr. Speaker, a lot of the numbers being floated around here on the budget, the \$29 billion put out there by the Governor and the more recent numbers that are a little less than last year, Mr. Speaker, all of these numbers that are being floated spend far in excess of the revenue that is coming into the State, spending far more money than what is coming in – hundreds of millions, billions of dollars more proposing than what is coming in to the State Treasury, Mr. Speaker.

Well, Mr. Speaker, like one of the former members from Armstrong County in his concerns about what has not been addressed to rein in the excessive spending, Mr. Speaker, we have not addressed the welfare fraud. How can this General Assembly turn a blind eye to the welfare fraud that has been identified, especially by the majority's own Auditor General, Mr. Speaker? How can we turn a blind eye to the welfare fraud that needs to be reined in to actually go after this? I was just talking to some of the Democratic members yesterday, Mr. Speaker, and we were having a conversation: I think we could find agreement across the aisle on reining in the excessive spending that necessitates this tax increase according to some that are advocating on behalf of HB 325, Mr. Speaker.

Mr. Speaker, HB 325 that increases the tax burden on Pennsylvania citizens, Mr. Speaker, HB 325 that increases taxes—

The SPEAKER. The gentleman will yield.

POINT OF ORDER

The SPEAKER. For what purpose does the gentleman, Representative Daley, rise?

Mr. DALEY. Thank you, Mr. Speaker.

A point of order.

With all due respect to the speaker, he very skillfully, as you left the podium, started talking about welfare fraud, and when you returned he starting talking about HB 325. I would ask the Speaker to let the speaker know that we want him to stay on subject here. Everyone has a right to debate the issue, and—

The SPEAKER. The gentleman is absolutely correct.

Mr. DALEY. Thank you, Mr. Speaker.

The SPEAKER. The gentleman will keep his remarks to final passage of HB 325.

Mr. METCALFE. Thank you, Mr. Speaker.

Mr. Speaker, regarding final passage of HB 325, those that are proposing these tax increases, Mr. Speaker, would not have to propose these tax increases if we would actually rein in the welfare fraud that is spending so much money in the budget, Mr. Speaker.

So I stand here today in opposition to HB 325, Mr. Speaker. I stand here today in support of passing new policies that rein in the excessive spending, that decrease the tax burden on Pennsylvanians, Mr. Speaker. I stand against HB 325 because it once again increases the tax burden on Pennsylvania's citizens, Mr. Speaker.

I oppose HB 325 and would ask everyone to join me. Thank you, Mr. Speaker.

The SPEAKER. On the question, the Chair recognizes the gentleman from Westmoreland County, Representative Pallone.

Mr. PALLONE. Thank you, Mr. Speaker.

And unlike my distinguished colleague from Greene County, I will not lead you down a primrose and then push you off the cliff. I will tell you straight up: I will be voting "no" on this piece of legislation. However, it is important to note that back on March 23 when we passed the general appropriations bill, HB 2279, we received written documentation from our leaders that this particular appropriations bill would not require any tax increase to implement that particular budget. And we had a number of discussions and a number of speakers that got up on the House floor that day and said that this appropriations bill would be a no-tax-increase budget. And here we are today, a couple of months later, with the necessity of implementing additional taxation upon the businesses and the industries and the taxpayers of Pennsylvania so that we can pass and support what was a no-tax-increase budget.

Now, granted, the revenue picture for Pennsylvania has changed in the last 60 to 90 days, and we acknowledge that. However, what we have not done is looked at the general appropriations bill to say, maybe we need to adjust the general appropriations bill so that we can live within the means of the revenue generated in Pennsylvania. We volleyed an appropriations bill over to the Senate. It has been there almost 90 days. They have not sent us anything back. My plea to you all today is to encourage the Senators of each of your

representative districts and tell them, send us a spending plan so that we know how much money we need to support the programs and the policies that support Pennsylvanians.

I will be voting "no" until we get an appropriations plan from the Senate that says, this is how much money we need today. We sent a bill over; they have not sent it back. What are they waiting for? The timeline is ticking quick. We need to know what we need in terms of revenue for the plan that we are going to spend. None of us would manage our personal property, our personal lifestyle, or our business like this. We would figure out what we are going to spend and then we would figure out how we are going to generate the revenue necessary to fulfill those financial obligations.

We do not know what the financial obligations are today. Until we get that from the Senate so that we have an opportunity to look at it and either adopt it or turn it down, we are generating revenue for naught because we do not know what it is for.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question, the Chair recognizes the gentleman from Philadelphia County, Representative Evans.

Mr. D. EVANS. Mr. Speaker, I have listened to a lot of discussion, and what I would like to do, if you will allow me, and I know how difficult it is sometimes on this floor for us to listen to each other. I wish you would give me at least maybe 10 minutes, because I would like to go through all the various things that I have heard, if you will allow me. I know in this process sometimes we are driven, sometimes we are driven by activity and not listening to the subject matter, so I want to take some time, if you will allow me.

The Republican chairman said in his statement, why rush? That is what the Republican chairman said. He said, why rush? Now, if you go back to the record, he said that. In today's Inquirer, there is a headline story that says, States' credit ratings at stake in budget fight – eight States. One of the States is Pennsylvania.

So here we are on June 15, 2 weeks from the deadline. I know for the last 7 years, particularly since Rendell has been Governor, we have not passed the budget on time. And I understand, I take that criticism kind of personally, not so much just because of Rendell but because I am a member of this body. I get elected like you get elected, and I do not like the idea that we do not pass a budget on time. I do not like that idea. As a matter of fact, I despise that idea that we do not pass this budget on time, because there is a lot of pain. It is pain to the not-for-profits. It is pain to the people of Pennsylvania. It is painful when I read these headlines that we cannot seem to get a budget done.

And it is rather interesting; a few minutes ago, we have one of the largest pension problems, literally, among all the States, and we literally passed that pension bill with no problem at all, no problem at all. Now, I tried to do the same thing on this package, because a couple of weeks ago there were some differences on this package. And I was speaking to the Speaker and the whip and the majority leader, and a couple of weeks ago when there was some noise about the package, we took the package back and we made changes. I heard people say cigars need to be put in there; we put cigars back in there. I heard people say the cigarette tax was too high; we brought the cigarette tax down. I heard that vendor sales was something that was not in there; we went in and we adjusted it.

Now, we started at \$350 million; it is now down to \$282 million. What I want to do, what the gentleman did not explain on that side, is there was a plan and there is a plan to close this, and this is the plan: We suggested payments from the Federal government, \$275 million; reserved for tax refunds, \$150 million; a proposed statewide hospital assessment, \$100 million; a Tobacco Settlement Fund timing change, \$340 million; and then a proposed tax change, \$282 million. Now, if you add that up, it comes out to \$1,147,000,000. Between the \$147 million, and the problem is \$1.7 billion, we still have to cut \$600 million.

Mr. Speaker, give me a little order, please. Give me some order.

The SPEAKER. The House will come to order.

Mr. D. EVANS. Because this is, you know—

The SPEAKER. The gentleman will yield. The gentleman will yield.

POINT OF ORDER

The SPEAKER. For what purpose does the gentleman from Allegheny, Representative Maher, rise?

Mr. MAHER. Thank you, Mr. Speaker.

I am delighted the gentleman asked for order, because I have a point of order, which is that he is not speaking about this bill at all. He is talking about something else entirely, and I would remind him, as you have reminded others, HB – new glasses – 325 is what is on the board.

The SPEAKER. The gentleman, Mr. Evans, will keep his remarks to final passage of HB 325.

Mr. D. EVANS. That is true, Mr. Speaker. The only thing I was doing, Mr. Speaker, is responding to the Republican minority leader who was asking, why are we rushing this? And he also indicated, Mr. Speaker, that this HB 325 would do nothing to solve the problem. So what I was doing, Mr. Speaker, is putting it in the context, the context, Mr. Speaker, of what it would take to resolve this. So what I was explaining, Mr. Speaker, is that this tax package, at \$282 million added to that \$1 billion, was a part of solving the State's problem. And what I also said, Mr. Speaker, is in addition to that, we are still going to have to cut \$600 million.

Now, Mr. Speaker, if we do not do HB 325, add the \$282 million to the \$600 million. Add the \$282 million to the \$600 million. That means, Mr. Speaker, we have to cut \$800 million, and let us talk about how we can cut it, because I want you to understand this.

We could eliminate the proposed \$350 million that Governor Rendell proposed for education. You could just eliminate the \$350 million. Besides eliminating the \$350 million, you still have to come up with \$500 million. So you could eliminate the \$350 million – eliminate the \$350 million. You still have got to come up with \$500 million. So even eliminating the \$350 million— And then there was one gentleman who said, well, in March we did not need revenue. That is correct; we did not need revenue, because what happened in April, May, and June, the bottom dropped out. I did not introduce this package until the bottom dropped out.

The Senate. What did the Senate do? The Senate did just pass the bill out of the Appropriations Committee with a nonrecommendation. We, Mr. Speaker, the Democratic leadership and the Republican leadership, are due to meet

tomorrow at 9 o'clock. We are meeting tomorrow at 9. So, Mr. Speaker, if this bill should go down, let us be clear; let us just do the math. You have got \$300 million more that you have got to add on top of the \$600 million.

So we can make this very easy, Mr. Speaker; we can make this very easy. If you should vote this down – and that is not my recommendation – we will have to cut \$1 billion. And I assure you, Mr. Speaker – some people may; that is not my particular position, but it may still be – we have to cut a billion dollars. So I can assure you, Mr. Speaker, that \$350 million on education will be off the table. I can assure you, Mr. Speaker, when the gentleman was talking about the pension plan – remember he was talking about adding some more money for pension? As a matter of fact, Representative Steve Samuelson came down and said something about that – you had no money for the pension plan. That is why we had to do the smoothing in the first place. You have no money. So, Mr. Speaker, we have shrunk this package as small as it can go.

Now, I understand it is an election year, and I understand, Mr. Speaker, I do not have any opposition. I understand, Mr. Speaker. I have been here for 30 years and I understand some people may think that is too long, but this is what I know: Expenses must match revenue. And if expenses do not match revenue, you must cut. And I assure you, Mr. Speaker, it will be cut. If that is what you want, you are going to get cuts. You already are going to get \$600 million; you vote this down, you are adding another \$300 million on top of it. Do not take it from me, Mr. Speaker; go by the math.

Mr. Speaker, their side and our side, we came up with a financial statement. I have shown you the financial statement. It is \$1.7 billion. That is not Rendell's fault. That is not the Republicans' fault. That is not George Bush's fault. That is what has happened.

Now, Mr. Speaker, you did not vote for the personal income tax last year when I raised that. You did table games. You did this patching it all up. You have run out of places to patch it up. You cannot patch it anymore. I am telling you, let this not pass, you will not see a revenue package this year.

Now, maybe some of you say, well, I am running for reelection; I do not want a revenue package. I understand that. I understand that politics, but this is beyond politics. This is beyond politics. This is about running and managing this State. And at some point, Mr. Speaker, I want you to be clear, I know some people said some cute speeches on this floor, but it still does not justify the math. It still does not justify the math. Do not ignore the math, because I have heard people come to me, well, Dwight, you are putting our people on the spot. I am not putting anybody on the spot. I am going to be "yes." I am going to be "yes." I have been around here too long. I understand what it means to do what is right. I understand, when you are talking about those day cares, you are talking about those nursing homes, you are talking about all those things you come to me about – on both sides. You talk about agriculture, you talk about all those things, you come and talk about privately, "Don't tell nobody about this." Well, guess what? It is all in the public, Mr. Speaker.

Now, the gentleman said, why rush? It is June 15. Last year the only thing I heard over and over again, where is the budget? Where is the budget? When am I going to get a budget? Remember last year? We went 101 days.

Now, let me explain how this works – simple. We pass this bill. This bill is not the end of the world because the Senate has to get into it, and then somebody will call the Governor. So no matter if you like him or do not like him, he is the Governor for the next 6 or 7 months, and if he does not agree with it and the Senate Republicans do not agree with it, then we are back to where we are. So I do not want you to be so shortsighted. I do not want you to be so shortsighted. I know people have come up to you and said, this will be a little good message for you and that. This is not going to be a good message for you, because there is going to be a headline story.

And, you know, I have to disagree with my colleague. You know, he used to be in leadership, and I am going to say it. He used to be in leadership. He used to be here when we were counting votes and all that kind of stuff, and it is amazing to me, it is amazing to me, Mr. Speaker, now not in leadership and not understanding what it takes. This is not easy. This is not easy, Mr. Speaker.

Now, I am not saying to you, Mr. Speaker, that this is a perfect plan. This is not perfect. I am not trying to be personal with anybody; I am just trying to tell you we got a job to do. We want to pass this budget on June 30. The only thing I ask, Mr. Speaker, and this is what I ask: We sent a budget over there in March; we sent a revenue package; we sent a pension plan. We have to negotiate with the Senate. That is what we have to do, Mr. Speaker. It is not the end of the road. Last year, Mr. Speaker, we voted for a revenue package. So this is what I am trying to get across to you: We got a job to do. The public is watching all of us. They are tired of us, Mr. Speaker, on both sides of the aisle. We got a job to do.

Now, I understand you have some real philosophical issues, but the fact of the matter is, this is not the end of the road. So I say to you this, Mr. Speaker: "Credit rating," which means, one gentleman on that side always likes to talk about our credit rating. "Budget fight" means a longer period of time; it costs more money. It means that if you have to do credit rating, that means less money you have in environmental, less money you have in economic development, less money you have in education. That means the increased cost of credit rating – you have to pay that – goes up. I want you to understand that. And then there is the political rating, because again, this General Assembly, all of us, including myself – including myself, Mr. Speaker – we will be embarrassed again. We will be embarrassed.

Now, let me say something the Constitution says. The Constitution says, the Constitution requires that legislation which is proposed to raise revenue originates in the House. So when I hear people say, well, the Senate did not send anything. This is where it originates, so we have to send them a vehicle. At some point you have to send them a vehicle. It does not come from the Senate; it comes from the House. Read the Constitution.

For those who say to me, well, Dwight, can you get me a deal before I vote? – that is what some members say; the members say, well, can you get me a deal? – I cannot get you a deal. The only thing I can guarantee is my vote; I cannot guarantee anybody else's vote. But this is what I am saying to you: We all are elected. We are elected. We are here to do a job. Good, bad, or indifferent, we are here to do a job.

So this is what I am saying to you. I wish this was not so partisan. I really do. I wish this was not so partisan to a point—Mr. Speaker, give me a little order, please.

The SPEAKER. The gentleman is correct. Will the House come to order.

Mr. D. EVANS. I wish, Mr. Speaker, in my wildest imagination, this was not so partisan. I wish this was not about one-upmanship, because that is what it really is. You know, we did a great job on that pension issue. We proved we can work together. Now, I know there are some differences of opinion, but this is a vehicle. Get it to the Senate, let us do some negotiations, and let us try to solve this. You know, come on, Mr. Speaker, that is all.

You know, I am appealing to you. I do not know what else to say to you. Do you want me to be on bended knee? I have talked to all of you. I have tried to convince you. I am not wedded to anything here except getting the budget done. That is all I want to do. So it is not anything personal. I am not upset with any of you. I am just saying to you, at the end of the day I want to get it done. The people want to get this done.

So I just hope, Mr. Speaker, because my colleagues are nervous – my colleagues are nervous – we will vote this, because I am asking that we vote it. I hope you will vote "yes." I hope you will have listened to me. I hope you will have understood that at the end of the day I am not trying to embarrass anybody. I am not trying to put anybody on the spot. The only thing I am trying to do is close the budget.

So I gave you a plan; I gave you a plan. I described the plan. I did not just talk about it; I described the plan to close it. I told you what the Constitution said. So we got to do the Constitution. I gave you a plan. I just want to close the budget. I just want to get it done. I ask you very sincerely, and I know this is a tough process and I know people usually have their minds made up. I know you are in caucus and you come with your mind made up. This is what I am asking you: I am asking you to do some reconsideration. I am asking you to vote for this. I am asking you, and I hope, not just Democrats but Republicans too. I know some of you over there well. I have dealt with you in the Appropriations Committee. I understand your thing about the spin number. There is no way it is going to be \$29 billion. You want me to say that? It is not going to be \$29 billion. Okay; I have said that. I tried to say that to the Republican chairman. I told him how they got to the \$1 billion. So you can again eliminate education, but the fact of the matter is, it is still not going to be resolved.

Again, I would like to thank the members and thank the Speaker for allowing me to just voice my feelings, because as one member, I certainly have feelings and thoughts. I want you to know my thoughts and feelings, and I hope, Mr. Speaker, that you will vote for HB 325. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Bucks County, Representative Clymer.

Mr. CLYMER. Thank you, Mr. Speaker.

Mr. Speaker, I come here recognizing that both the majority and minority chairmen of Appropriations are looking for more money. And they have said that the pockets of the State are empty, and where can we go.

Mr. Speaker, I have some good news I want to share with you this evening, that there is some money out there that we can secure, and it is not going to be a tax on the taxpayer. It is money that is just waiting for us to collect. It is that easy. In fact, Mr. Speaker, it is \$350 million. My, would that not help patch the budget that we are looking at? Well, here is the solution: We have a cash cow that is out there; it is called the

casinos. As we recognize back in 2009 they got a special deal that very few industries get in Pennsylvania. That was when we legalized table games. We gave them a \$16.5 million cost for their license and a 14-percent tax on their revenue that goes down to 12 percent.

Now, the science on this says really the license fee should be \$35 million. So let us move forward. I have a bill in place, HB 2377, to bring the money in. That is \$222 million, and then we increase the tax on the revenue. It goes 14 percent for the first 2 years, and then it drops to 12 percent, and then my proposal brings it up to 25 percent. That is a difference of \$125 million that will be coming in each year. So why do we not milk this cash cow for a fair share? I heard that argument throughout the course of this debate. We want a fair share, that is all we are asking. We are not asking them for any more or any less; a fair share. And we hope that this is not a sacred cow but one that we can negotiate and get this money.

Mr. Speaker, as we all know when debates are made about moneys in Pennsylvania with casinos, one of the initial arguments made by those who said we needed the casinos in Pennsylvania was to help our economy and provide jobs. And they also said, let us keep the money in Pennsylvania. Remember that? Not flow over to New Jersey; keep it in Pennsylvania. Well, Mr. Speaker, there is only one out of the nine casinos that is up and running that is Pennsylvania-based, and that is Penn National in Wyomissing. So this money that is supposed to be here in Pennsylvania is flowing – flowing out to other States; other corporations; out to Las Vegas, Nevada, where they have corporations; up to Connecticut. So why do we not get our fair share and keep the money here in Pennsylvania? That is what the debate was all about, at least one of the important parts of it.

And, Mr. Speaker, I have some other good news about getting the money from the casinos: It is that there is no environmental problem. You do not have to have a restricted fund because there are no environmental problems. Now, you may have a health problem because they allow smoking in the casino, in the gaming area, but other than that, you know, this money is available for us and all we have to do is negotiate. And I know the—

The SPEAKER. The gentleman, Mr. Clymer, will you keep your remarks to HB 325 and the taxes.

Mr. CLYMER. Thank you, Mr. Speaker.

Mr. Speaker, I know that through negotiations we can get this money in to help the 2010-2011 budget. We can bring this money in. This is the good news I bring to the General Assembly today. While I will not support HB 325 because of the taxes, I will, of course, support these measures, HB 2377 and HB 2343, because it makes good sense for Pennsylvania.

Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from York County, Representative Saylor.

Mr. SAYLOR. Thank you, Mr. Speaker.

It is very interesting, as Pennsylvania competes for jobs and when we talk about it here in Pennsylvania, we are always listed as number 46, 49, 50 in the nation in job creation and economic development. And today with this bill, all we do is already the second highest business tax State in the nation. Only Iowa in our nation, as a State, taxes higher than anywhere else in the world. We are second in the world in business taxes, and today we want to put another business tax on.

Now, you know, usually a lot of people like to buy that, hey, we are going to tax the business world, that way we do not have to raise the personal income tax or maybe the sales tax, but we need to take a closer look at this. And we have a neighbor right next to us, West Virginia. They opposed a severance tax, a lot lower than we are proposing today, in West Virginia. And what happened in West Virginia, not only did it not raise the revenue in taxes they were talking about, but they lost jobs in West Virginia. Is that the course that we as a General Assembly want to send out there to our taxpayers who are unemployed right now? We have an industry right here in Pennsylvania now, one of the largest supplies of natural gas in the world – bigger than Saudi Arabia, Iran, and all the other countries in the world – and we want to cut the jobs in an economy like this. Two hundred thousand jobs this industry can create in Pennsylvania.

And I think all of us must admit we want to approach Marcellus Shale a lot better than we approached the coal industry in the days. We want to make sure that when it is drilled, it is done in an environmentally friendly way, that we are properly regulating it. And I have the utmost confidence – and I do not say this very often about DEP – but that our Department of Environmental Protection does an outstanding job here in Pennsylvania in protecting our citizens and our environment.

We have had opportunities here to see Pennsylvania become the Keystone State of this nation again and to serve our citizens in creation of jobs that we have not seen since the days of coal and steel boom here in Pennsylvania. We have an opportunity here in Pennsylvania to cut the energy costs of the consumers at home in their heating and their electricity bills. We have an opportunity to expand our manufacturing here in Pennsylvania. Manufacturers are getting hit with the cost of deregulation of electricity. Those same manufacturers need to find electricity and gas for their plants, and we have it right here in Pennsylvania.

Just one company in this State, Procter & Gamble, is a perfect example, in Wyoming County. You see Procter & Gamble owns 1200 acres, with 90 acres under roof, with roughly about 2400 jobs. That plant has been in competition with their plant in Georgia for future expansion of jobs. And guess what? Because of Marcellus Shale, the place that Procter & Gamble will most likely choose to expand is not Georgia but Pennsylvania. Is that not what we promise our citizens when we talk about returning and rebuilding our economy here in Pennsylvania? Is it not good-paying jobs? Jobs that are being created in the Marcellus Shale industry are paying \$80,000 a year to Pennsylvania residents who are used to making \$35,000 a year. These jobs come with benefits.

We have an opportunity in Pennsylvania, and I am not one of those that ever says never. I would never sit here and say we should never tax the Marcellus Shale, but I do believe when we have an opportunity to expand our jobs in Pennsylvania and to be a boom economy. When you think about it, just look at the economic reports right here in Pennsylvania right now. When was the last time any member of this General Assembly can remember Bradford County and some of these other counties leading in job growth? When was the last time? We have an opportunity as Pennsylvanians to our children of the future to make sure we do this right, to make sure we are environmentally correct. But we also have an opportunity, we

also have a responsibility to the young people of this State to make sure that there are jobs here for them so that they do not move out of State, because we have educated so many children in this State with our universities and our colleges but they do not stay here. Why? Because we have job-crushing taxes. And this is just one more way of, again, putting Pennsylvania at the very bottom of the rung in job creation, when we just cannot seem to get across to our minds that it is important for our children to stay in this State where we have invested tons of money in education. We can pour all the money we want into education in this State, but if our children leave here to find a job elsewhere, where is the money going to come from to continue to put more money in education, because those children are not going to be here that we invested in. The jobs are not going to be here.

New jobs, new companies starting up in Pennsylvania pay sales taxes, they pay income taxes, and it is an opportunity for us to understand for once and for all: Pennsylvania sits on the verge of the biggest economic boom we have had since coal and steel. We can sit here and destroy that boom and act like we did not know what we were doing, and we can talk about environmental protection, but that is not what this bill is about. Because you see, the severance tax, as they talked about the hole in the Gulf, this severance tax does not plug any hole. This severance tax does nothing but sends jobs out of Pennsylvania.

Why can we not be a little bit more like Alaska? In Alaska they have taken their resource of natural gas and oil, and they actually returned money to the taxpayers – \$3200 a year. A lot of us in this House have talked about property tax reform for years. We have never been able to give \$3200 in property tax relief to any of our citizens in this State. A \$3200 check going out from the State of Alaska directly to their taxpayers on using their natural resources correctly, and we in Pennsylvania want to use that money, instead of giving it to the taxpayer we just want to use it to expand our spending programs in this State.

When are we going to learn? Spending ourselves into a hole and borrowing is not going to create jobs and improve our economy here. It is time to stop killing jobs in Pennsylvania and it is time to start creating jobs here for our children.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Philadelphia County, Representative Thomas.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, I voted to suspend the rules so that we could have considered the Levdansky amendment, which I thought was a real good amendment. I thought that it is better to put more in our counties and host municipalities than in the Commonwealth's General Fund. That did not survive, and now HB 325 is before us. I rise to urge members on both sides of the aisle to vote "yes" for HB 325.

Mr. Speaker, it is okay to want sunshine without rain. It is okay to want everything to be going well. But, Mr. Speaker, Pennsylvania sits next door to New Jersey, where there are 14 casinos, \$11 billion debt, and the highest property taxes in America. Then there is New York; extensive debt. Then there is California; \$52 billion debt. Mr. Speaker, our debt is \$1.7 billion. We are doing okay. We are doing okay. And, Mr. Speaker, there are things in the budget that people want. One of my colleagues says get rid of welfare fraud. Another

colleague says get rid of the money we spend on cows and turkeys. Somebody else says get rid of something else. Mr. Speaker, at the end of the day we have to have some priorities and we have to be willing to stand up and stand out for those priorities.

Now, Mr. Speaker, HB 325 will allow us to continue the progressive steps that we have taken in Pennsylvania to address our underfunding of education. It will allow us to do that. Mr. Speaker, HB 325 provides a revenue system that will allow us to continue to support some of our priorities. I am not talking about a Democratic priority or a Republican priority; I am talking about the people's business. I am talking about jobs and economic development.

Mr. Speaker, unemployment in Pennsylvania is still extremely too high. And in those counties where you have young people between 18 to 24 years of age, unemployment is well over 50 percent. Mr. Speaker, there are counties in Pennsylvania that have the highest poverty in all of America. So we have work to do. We have work to do. There are some things that we can deal with that are not Democrat, are not Republican, are not Independent, but are about the people's business, and we have to stop thinking that we can take care of the people's business and not raise revenues, not raise revenues.

All of us know, in order to pay the bills in your house, you have to bring money in from somewhere. You have to bring money in from somewhere. Even those of you that are like myself and redeemed and believe in the power of prayer, if you believe in the power of prayer, then you know that the Scripture says "...faith without works is" – what? – "dead." You cannot have it unless you are willing to pay for it. Mr. Speaker, that is way we all live. You cannot go home and tell your wife or tell your husband that we are going to stay in this house next month but we do not have any mortgage money, or that we are going to eat but we do not have the capacity to buy food, or we want our kids to go to the best schools but we do not want to spend any extra money to do that.

Mr. Speaker, this is about the people's business. So let us get away from nit-picking and talking about your thing versus my thing, talking about your interests versus my interests. Mr. Speaker, we are all a part of the great Commonwealth of Pennsylvania. We are all a part of this great State. We all have a commitment to improving the quality of lives of people in this great State. So let us stop the bickering, let us stop the grandstanding, and let us start taking care of business. We take that step towards putting up a "yes" vote for HB 325.

Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia County, Representative Evans.

Mr. D. EVANS. Mr. Speaker, the majority leader and I just had a meeting with the Governor. And in that meeting that we just had with the Governor – because we have a leadership meeting tomorrow with the Senate; the House and the Senate, we have a leadership meeting tomorrow – the Governor indicated that he would like for us to pull the bill back.

The SPEAKER. The House will come to order.

Mr. D. EVANS. The Governor also said, the Governor also—

The SPEAKER. The House will come to order.

Mr. D. EVANS. He asked us, he asked us—

The SPEAKER. The gentleman will yield. The gentleman, Mr. Evans, will yield. Members will please take their seats. The House will come to order.

Mr. D. EVANS. He asked us to pull the bill back, you know, temporarily, either go over it or put it in the House Appropriations Committee, put it back there. We will have our meeting with the Senate leaders tomorrow, see exactly where we are in terms of this particular process. But he will be guided by, basically, the negotiations that we do tomorrow with the Senate.

If the Senate wants to do something, we will do something. If the Senate does not want to do something and we want to cut \$1.7 billion, we will cut \$1.7 billion. I think he has been watching what takes place here. He said to himself, if that is what members want to do, that is the way he will go. So I share with you, all for sake of trying to get to June 30, we just talked to him, the majority leader and I, and we want to try to make this as nonconfrontational as possible to get this thing done, if that is what the members said. So, Mr. Speaker, we ask, either you want to go over it or you want to send it to the Appropriations Committee; it is your choice, Mr. Speaker.

BILL RECOMMITTED

Mr. D. EVANS. Mr. Speaker, can I make a motion that HB 325 comes back to the House Appropriations Committee?

The SPEAKER. The gentleman, Mr. Evans, moves that HB 325 be rereferred to the House Appropriations Committee.

On the question,
Will the House agree to the motion?

The SPEAKER. The Chair recognizes the gentleman from Allegheny County on the motion to recommit to the Committee on Appropriations.

Mr. TURZAI. Yes.

The SPEAKER. The Chair recognizes the gentleman, Representative Turzai.

Mr. TURZAI. Sir, if we might, may we—I would ask the maker of the motion if I could interrogate him with respect to the motion?

The SPEAKER. The gentleman, Representative Evans, indicates he will stand for interrogation. The gentleman is in order and may proceed.

Mr. TURZAI. Sir, if it gets sent back to Appropriations, will we be able to file amendments to HB 325 when it comes out of committee?

Mr. D. EVANS. Mr. Speaker, the only issue I am dealing with is about it being referred back to the committee. All those other things, you have to ask the Speaker of the House.

Mr. TURZAI. Sir, is your intention, if you are sending it back to the Appropriations Committee, to bring that bill back out unamendable? Or are you just going to have it sit there in hopes of a global agreement with all four caucuses and the Governor?

Mr. D. EVANS. The only thing I am asking for is for the bill to go back to the committee.

Mr. TURZAI. With all due respect, I know we have had significant discussion on HB 325 today. You have made an impassioned speech in favor of these new taxes. You do not want to give everybody an opportunity to put their vote up with respect to this proposal to increase taxes by \$300-some million?

Mr. D. EVANS. Mr. Speaker, the only thing I am doing is asking for the bill to come back to the committee.

On the question recurring,
Will the House agree to the motion?

The following roll call was recorded:

YEAS—118

Adolph	Eachus	Levdansky	Roebuck
Barbin	Evans, D.	Longietti	Sabatina
Beyer	Fabrizio	Mahoney	Sainato
Bishop	Frankel	Major	Samuelson
Boback	Freeman	Manderino	Santarsiero
Boyle	Galloway	Mann	Santoni
Bradford	George	Markosek	Seip
Brennan	Gerber	Matzie	Shapiro
Briggs	Gergely	McGeehan	Siptroth
Brown	Gibbons	McL. Smith	Smith, K.
Burns	Godshall	Melio	Smith, M.
Buxton	Goodman	Micozzie	Solobay
Caltagirone	Grell	Mirabito	Staback
Carroll	Grucela	Mundy	Sturla
Casorio	Haluska	Murphy	Taylor, J.
Cohen	Hanna	Myers	Taylor, R.
Conklin	Harhai	O'Brien, D.	Thomas
Costa, D.	Harkins	O'Brien, M.	Vereb
Costa, P.	Harper	O'Neill	Vitali
Cruz	Hornaman	Oliver	Wagner
Curry	Houghton	Parker	Wansacz
Daley	Johnson	Pashinski	Waters
Deasy	Josephs	Payton	Wheatley
DeLuca	Keller, W.	Perzel	White
DePasquale	Kessler	Petrarca	Williams
Dermody	Kirkland	Petri	Youngblood
DeWeese	Kortz	Preston	Yudichak
DiGirolamo	Kotik	Quinn	
Donatucci	Kula	Ravenstahl	
Drucker	Lentz	McCall,	
		Speaker	

NAYS—80

Baker	Fleck	Maher	Rapp
Barrar	Gabig	Marshall	Reed
Bear	Gabler	Marsico	Reichley
Belfanti	Geist	Metcalfe	Roae
Benninghoff	Gillespie	Metzgar	Rock
Boyd	Gingrich	Miccarelli	Rohrer
Brooks	Grove	Miller	Ross
Causer	Hahn	Milne	Saylor
Christiana	Harhart	Moul	Scavello
Clymer	Harris	Murt	Schroder
Cox	Helm	Mustio	Smith, S.
Creighton	Hennessey	Oberlander	Sonney
Cutler	Hess	Pallone	Stern
Day	Hickernell	Payne	Stevenson
Delozier	Hutchinson	Peifer	Swanger
Denlinger	Kauffman	Perry	Tallman
Ellis	Keller, M.K.	Phillips	Toepel
Evans, J.	Killion	Pickett	True
Everett	Knowles	Pyle	Turzai
Fairchild	Krieger	Quigley	Vulakovich

NOT VOTING—1

Farry

EXCUSED—3

Millard	Reese	Watson
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The majority having voted in the affirmative, the question was determined in the affirmative and the motion was agreed to.

CALENDAR CONTINUED

BILL ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 1445, PN 3131**, entitled:

An Act providing standards for carbon monoxide alarms and for powers and duties of the Department of Labor and Industry; and imposing penalties.

On the question,
Will the House agree to the bill on second consideration?

BILL TABLED

The SPEAKER. The Chair recognizes the majority leader, who moves that HB 1445 be removed from the active calendar and placed on the tabled bill calendar.

On the question,
Will the House agree to the motion?
Motion was agreed to.

BILL REMOVED FROM TABLE

The SPEAKER. The Chair recognizes the majority leader, who moves that HB 1445 be removed from the tabled calendar and placed on the active calendar.

On the question,
Will the House agree to the motion?
Motion was agreed to.

BILL RECOMMITTED

The SPEAKER. The Chair recognizes the majority leader, who moves that SB 214 be removed from the tabled bill calendar and recommitted to the Committee on Appropriations.

On the question,
Will the House agree to the motion?
Motion was agreed to.

GUEST INTRODUCED

The SPEAKER. The Chair would like to welcome, in the well of the House – and I am not sure if the gentleman is still here – Pete Sturla, son of Representative Michael Sturla. This fall Pete will be a junior at McCaskey Senior High School and is serving as a guest page today. Welcome to the hall of the House.

AGING AND OLDER ADULT SERVICES COMMITTEE MEETING

The SPEAKER. The Chair recognizes the gentlelady from Luzerne County, Representative Mundy, for the purpose of a committee announcement.

Ms. MUNDY. Thank you, Mr. Speaker.

I would like to remind the members of the Aging and Older Adult Services Committee that we have a meeting tomorrow at 9:30 in 205 Ryan Office Building. The topic of the meeting is adult day-care services. I would appreciate the attendance of the members.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the lady.

There will be an Aging and Older Adult Services Committee meeting tomorrow at 9:30 in 205 Ryan Office Building.

ANNOUNCEMENT BY SPEAKER

The SPEAKER. The Chair would also like to acknowledge and wish a happy birthday to Karen Beyer and Duane Milne.

VOTE CORRECTIONS

The SPEAKER. The Chair recognizes the gentleman from Luzerne County, Representative Pashinski.

Mr. PASHINSKI. Thank you, Mr. Speaker. I would like to correct the record, please.

The SPEAKER. The gentleman is in order and may proceed.

Mr. PASHINSKI. On amendment 7707, please, please vote in the negative.

The SPEAKER. The gentleman is in order and may proceed.

Mr. PASHINSKI. I would like to make sure that the vote is a negative for that amendment, sir.

The SPEAKER. The Chair thanks the gentleman. His remarks will be spread upon the record.

Mr. PASHINSKI. Thank you, sir.

The SPEAKER. The Chair recognizes the gentleman from Bucks County, Representative Farry, to correct the record.

Mr. FARRY. Thank you, Mr. Speaker.

I would like to correct the record, and I would like to be a "yes" vote on the recommitment. Thank you.

The SPEAKER. The gentleman is in order. His remarks will be spread upon the record.

For what purpose does the gentleman from Monroe County, Representative Scavullo, rise?

Mr. SCAVELLO. Mr. Speaker, I had raised my hand and was acknowledged by not the Speaker, by someone else up there, before the gentleman from Philadelphia removed HB 325 from the board, before we had that vote. I had a comment on HB 325 as a former retailer that I wanted the House to realize. And if I could make that comment—

The SPEAKER. The gentleman is not in order.

Mr. SCAVELLO. I know that, sir, but I had asked for—

The SPEAKER. There is no question before the House. The gentleman is not in order.

Mr. SCAVELLO. Okay. I will save it for when HB 325 comes back. Thank you.

VOTE CORRECTION

The SPEAKER. For what purpose does the gentleman from Westmoreland, Representative Petrarca, rise?

Mr. PETRARCA. To correct the record, Mr. Speaker.

The SPEAKER. The gentleman is in order and may proceed.

Mr. PETRARCA. On HB 325, the Levdansky amendment to suspend the rules, I voted in the negative. I would like the record to reflect that I wish it to be a vote in the positive. Thank you.

The SPEAKER. The gentleman's remarks will be spread upon the record.

Any further announcements?

BILLS AND RESOLUTIONS PASSED OVER

The SPEAKER. Without objection, any remaining bills and resolutions on today's calendar will be passed over. The Chair hears no objection.

ADJOURNMENT

The SPEAKER. The Chair recognizes the gentlelady from Montgomery County, Representative Toepel, who moves that this House do now adjourn until Wednesday, June 16, 2010, at 11 a.m., e.d.t., unless sooner recalled by the Speaker.

On the question,

Will the House agree to the motion?

Motion was agreed to, and at 4:51 p.m., e.d.t., the House adjourned.