

# COMMONWEALTH OF PENNSYLVANIA

## LEGISLATIVE JOURNAL

THURSDAY, MARCH 21, 2013

SESSION OF 2013

197TH OF THE GENERAL ASSEMBLY

No. 20

### HOUSE OF REPRESENTATIVES

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

#### THE SPEAKER PRO TEMPORE (DARYL D. METCALFE) PRESIDING

#### PRAYER

HON. JOHN A. LAWRENCE, member of the House of Representatives, offered the following prayer:

Let us pray:

Father, we are grateful for this opportunity to gather together today to work on behalf of the people of Pennsylvania. We are thankful for Your continued provision, and for the manifold blessings You have bestowed upon this great Commonwealth of Pennsylvania.

Father, over the course of this day, as we debate the issues that come before this chamber, help us to keep Your will at the fore of everything we do. Give us the wisdom of Solomon and the patience of Job as we consider each item, always keeping before us what is just, right, merciful, and in the best interests of the people of this State.

I ask all of this in the name of Jesus the Christ. Amen.

#### PLEDGE OF ALLEGIANCE

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

#### JOURNAL APPROVAL POSTPONED

The SPEAKER pro tempore. Without objection, the approval of the Journal of Wednesday, March 20, 2013, will be postponed until printed.

#### ANNOUNCEMENT BY SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Speaker gives permission to the Appropriations Committee to continue the meeting that they are currently proceeding through.

### HOUSE RESOLUTION INTRODUCED AND REFERRED

**No. 182** By Representatives PASHINSKI, COHEN, YOUNGBLOOD, CALTAGIRONE, SCHLOSSBERG, KORTZ, MUNDY, THOMAS, SWANGER, DeLUCA, DEASY, MURT, FRANKEL, MCCARTER and FABRIZIO

A Resolution encouraging reduced insurance premiums for sponsors of medically managed wellness programs and encouraging government purchase of insurance from insurers offering reduced premiums for participation in medically managed wellness programs.

Referred to Committee on INSURANCE, March 21, 2013.

### HOUSE BILLS INTRODUCED AND REFERRED

**No. 810** By Representatives DeLUCA, HARHAI, DUNBAR, SWANGER, V. BROWN, STEPHENS, D. COSTA, DAVIDSON, P. DALEY, FLECK, KORTZ, KULA, HESS, MURT and DEASY

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, providing for testing for controlled substances for prospective employees.

Referred to Committee on EDUCATION, March 21, 2013.

**No. 934** By Representatives ROEBUCK, DERMODY, HANNA, FRANKEL, STURLA, GOODMAN, FLECK, O'NEILL, LONGIETTI, CARROLL, CLAY, O'BRIEN, MOLCHANY, HARKINS, SANTARSIERO, CONKLIN, PASHINSKI, MUNDY, BARBIN, SCHLOSSBERG, ROZZI, KORTZ, KOTIK, MAHONEY, GAINNEY, HAGGERTY, HARHAI, FABRIZIO, PAINTER, VITALI, BROWNLEE, HALUSKA, McGEEHAN, READSHAW, COHEN, DEAN, THOMAS, D. COSTA, CALTAGIRONE, MCCARTER, BIZZARRO, P. DALEY and KULA

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in professional employees, further providing for rating system; in pupils and attendance, providing for transfer of records to another school entity or nonpublic school; in charter schools, further providing for definitions; providing for Charter School Entities Funding Advisory Commission and for Office of Charter School Entities; further providing for powers of charter schools, for charter school requirements and for powers of board of trustees; providing for organization of meetings of boards of trustees

and for duties of administrators; further providing for establishment of charter school, for contents of application, for term and form of charter, for State Charter School Appeal Board, for facilities, for enrollment, for school staff and for funding for charter schools; providing for actual costs of educational services; further providing for transportation, for annual reports and assessments, for causes for nonrenewal or termination and for provisions applicable to charter schools; providing for charter school fund balance limit; further providing for powers and duties of department, for assessment and evaluation, for cyber charter school requirements and prohibitions, for school district and intermediate unit responsibilities, for enrollment and notification and for applicability of other provisions of this act and of other acts and regulations; providing for cyber charter school fund balance limit; and in auditing of school finances, further providing for duties of controller.

Referred to Committee on EDUCATION, March 21, 2013.

**No. 1043** By Representatives PASHINSKI, O'BRIEN, BROWNLEE, KOTIK, D. COSTA, ROZZI, KORTZ, MUNDY, KINSEY, COHEN, CARROLL, MAHONEY, DeLUCA, MULLERY, MURT, FABRIZIO and TRUITT

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 definitions and for collection of tax.

Referred to Committee on FINANCE, March 21, 2013.

**No. 1044** By Representatives PASHINSKI, FLYNN, DEAN, YOUNGBLOOD, SCHLOSSBERG, KORTZ, B. BOYLE, SANTARSIERO, O'BRIEN, HAGGERTY, BROWNLEE, McGEEHAN, D. COSTA, COHEN, MOLCHANY, KINSEY, THOMAS, MAHONEY, FRANKEL, DeLUCA, P. DALEY, PARKER, GIBBONS and MULLERY

An Act amending the act of June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania Election Code, providing for conduct of early voting in primaries and elections.

Referred to Committee on STATE GOVERNMENT, March 21, 2013.

**No. 1045** By Representatives CUTLER, BAKER, STERN, STEPHENS, AUMENT, O'BRIEN, SCHLOSSBERG, MILLARD, HICKERNELL, KAUFFMAN, DENLINGER, GINGRICH, BISHOP, COHEN, DeLUCA, SWANGER and MAJOR

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, providing for false reports of child abuse.

Referred to Committee on JUDICIARY, March 21, 2013.

**No. 1046** By Representatives ROZZI, GALLOWAY, McGEEHAN, SIMS, HAGGERTY, GAINNEY, STEPHENS, V. BROWN, MAHONEY, BARRAR, CARROLL, SWANGER, SANTARSIERO, O'BRIEN, THOMAS, ROEBUCK, COHEN, FLYNN and FARINA

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in limitation of time, further providing for tolling limitations of civil actions.

Referred to Committee on JUDICIARY, March 21, 2013.

**No. 1047** By Representatives GODSHALL, P. DALEY, SAYLOR, PICKETT, TURZAI, BARBIN, CARROLL, P. COSTA, DELOZIER, ELLIS, EVANKOVICH, GIBBONS, HARHAI, HARHART, KAUFFMAN, KAVULICH, KILLION, KORTZ, KOTIK, KULA, LONGIETTI, MARSHALL, MASSER, MILLARD, MILLER, NEUMAN, PASHINSKI, PAYNE, PYLE, SAINATO, STEPHENS and TOEPEL

An Act amending the act of November 30, 2004 (P.L.1578, No.201), entitled "An act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, further defining 'common carrier by motor vehicle'; providing for consumer protection and information and for the protection of responsible customer of public utilities; abrogating regulations; and preempting local regulation," eliminating the expiration of responsible utility consumer protection.

Referred to Committee on CONSUMER AFFAIRS, March 21, 2013.

**No. 1048** By Representative PETRARCA

An Act designating a bridge on that portion of State Route 66 over the Kiskiminetas River, Leechburg Borough, Armstrong County, as the Veterans Memorial Bridge.

Referred to Committee on TRANSPORTATION, March 21, 2013.

## SENATE BILLS FOR CONCURRENCE

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

### SB 4, PN 347

Referred to Committee on FINANCE, March 21, 2013.

### SB 5, PN 715

Referred to Committee on HEALTH, March 21, 2013.

### SB 193, PN 140

Referred to Committee on EDUCATION, March 21, 2013.

### SB 623, PN 599

Referred to Committee on GAME AND FISHERIES, March 21, 2013.

### SB 644, PN 618

Referred to Committee on GAME AND FISHERIES, March 21, 2013.

## LEAVES OF ABSENCE

The SPEAKER pro tempore. The Chair recognizes the majority whip related to leaves of absence, which there are no requests for leaves by the majority whip.

The Chair recognizes the minority whip, and the minority whip has also requested no leaves of absence. Thank you.

The House will be at ease.

The House will come to order.

### RECESS

The SPEAKER pro tempore. For the members' information, we are going to recess until the call of the Speaker due to the Appropriations meeting that we expect to continue until approximately noon, hopefully. The members will be notified through an announcement approximately 10 minutes before we expect to come back.

The House will be in recess until the call of the Speaker.

### RECESS EXTENDED

The time of recess was 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.

### THE SPEAKER (SAMUEL H. SMITH) PRESIDING

### BILL REREPORTED FROM COMMITTEE

**HB 790, PN 1246**

By Rep. ADOLPH

An Act amending the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, in preliminary provisions, further providing for definitions and for interpretation; in the Pennsylvania Liquor Control Board, further providing for general powers, providing for fee adjustment by regulation and further providing for subject of regulations and for wine and spirits marketing; in Pennsylvania Liquor Stores, further providing for establishment and for sales; providing for wine and spirits distribution; in licensing, providing for issuance of wine and spirits retail licenses, fees, taxes, for postqualification of selected applicants and for wine and spirits retail licensee statement of conditions, further providing for authority, for issuance, for transfer or extension, for fees, for sales and restrictions, for wine auction permits and for importers' licenses; in licensing, providing for grocery store licenses, convenience store licenses; in licensing, further providing for malt and brewed beverages licenses; and further providing for distributor package reform permit, providing for authority to issue liquor licenses to grocery stores, for applications for grocery store retail license, for issuance or transfer of grocery store liquor licenses; providing for sales by liquor licensees and restrictions; further providing for sales by grocery store retail licensees and restriction; in licensing, providing for enhanced distributors licenses; in licensing, further providing for license applications, for license restrictions, for sales, storage and purchase restrictions, for interlocking business, for breweries, for county limitations, for administrative proceedings, for assignability, for renewal and temporary provisions, for sanctions, for local option, for responsible alcohol management, for unlawful acts and for hours of operation; in licensing, providing for unlawful acts and for licensees and taxes; in licensing, further providing for penalties and for vacation of premises; in distilleries, wineries, bonded warehouses,

bailees and transporters, further providing for limited wineries, for distilleries and for license fees; and providing for supplemental provisions.

### APPROPRIATIONS.

### LEAVES OF ABSENCE

The SPEAKER. The House will come to order.

The Speaker returns to leaves of absence and recognizes the minority whip, who requests a leave of absence for the gentleman, Mr. Dom COSTA, from Allegheny County for the day; the lady, Mrs. DAVIS, from Bucks County for the day; the gentleman, Mr. SIMS, from Philadelphia County for the day; and the gentleman, Mr. HALUSKA, from Cambria 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 call. Members will proceed to vote.

The following roll call was recorded:

### PRESENT—196

Adolph	English	Kinsey	Petrarca
Aument	Evankovich	Kirkland	Petri
Baker	Evans	Knowles	Pickett
Barbin	Everett	Kortz	Pyle
Barrar	Fabrizio	Kotik	Quinn
Benninghoff	Farina	Krieger	Rapp
Bishop	Farry	Kula	Ravenstahl
Bizzarro	Fee	Lawrence	Readshaw
Bloom	Fleck	Longietti	Reed
Boback	Flynn	Lucas	Reese
Boyle, B.	Frankel	Mackenzie	Regan
Boyle, K.	Freeman	Maher	Roae
Bradford	Gabler	Mahoney	Rock
Briggs	Gainey	Major	Roebuck
Brooks	Galloway	Maloney	Ross
Brown, R.	Gergely	Markosek	Rozzi
Brown, V.	Gibbons	Marshall	Sabatina
Brownlee	Gillen	Marsico	Saccone
Burns	Gillespie	Masser	Sainato
Caltagirone	Gingrich	Matzie	Samuelson
Carroll	Godshall	McCarter	Sankey
Causser	Goodman	McGeehan	Santarsiero
Christiana	Greiner	McGinnis	Saylor
Clay	Grell	McNeill	Scavello
Clymer	Grove	Mentzer	Schlossberg
Cohen	Hackett	Metcalfe	Simmons
Conklin	Haggerty	Metzgar	Smith
Corbin	Hahn	Micozzie	Snyder
Costa, P.	Hanna	Millard	Sonney
Cox	Harhai	Miller	Stephens
Cruz	Harhart	Milne	Stern
Culver	Harkins	Mirabito	Stevenson
Cutler	Harper	Miranda	Sturla
Daley, M.	Harris, A.	Molchany	Swanger
Daley, P.	Harris, J.	Moul	Tallman
Davidson	Heffley	Mullery	Taylor
Day	Helm	Mundy	Thomas
Dean	Hennessey	Murt	Tobash
Deasy	Hess	Mustio	Toepel
DeLissio	Hickernell	Neilson	Toohil
DeLozier	James	Neuman	Truitt
DeLuca	Kampf	O'Brien	Turzai

Denlinger	Kauffman	O'Neill	Vereb
Dermody	Kavulich	Oberlander	Vitali
DiGirolamo	Keller, F.	Painter	Waters
Donatucci	Keller, M.K.	Parker	Watson
Dunbar	Keller, W.	Pashinski	Wheatley
Ellis	Killion	Payne	White
Emrick	Kim	Peifer	Youngblood

## ADDITIONS—0

## NOT VOTING—0

## EXCUSED—5

Costa, D.	Haluska	Miccarelli	Sims
Davis			

## LEAVES ADDED—3

Davidson	Sturla	Wheatley
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## LEAVES CANCELED—2

Davidson	Sturla
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The SPEAKER. One hundred and ninety-six members having voted on the master roll call, a quorum is present.

## CALENDAR

## BILL ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 293, PN 303**, entitled:

An Act designating a bridge on that portion of S.R. 49 over the Cowanesque Creek, Harrison Valley, Potter County, as the Specialist Kenneth Wayne Lampman, Sr., Memorial Bridge; designating a bridge on that portion of S.R. 44 in Shinglehouse, Potter County, over the Oswayo Creek as the Specialist Gerald Duane Stonemetz Memorial Bridge; and designating a bridge on that portion of Mill Street in Galetton, Potter County, over the Pine Creek as the Private First Class Clark Robert Douglas Memorial Bridge.

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

Mr. **CAUSER** offered the following amendment  
No. **A00565**:

Amend Bill, page 2, line 4, by striking out "1188" and inserting 1088

Amend Bill, page 2, line 19, by inserting after "1090" offset 0093

Amend Bill, page 3, line 12, by inserting after "20" offset 0000

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

The SPEAKER. On that question, the Speaker recognizes the gentleman, Mr. Causer.

Mr. CAUSER. Thank you, Mr. Speaker.

Mr. Speaker, the amendment is technical in nature. It corrects the segment numbers that are listed in the bill, and I would appreciate support for the amendment.

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

The following roll call was recorded:

## YEAS—196

Adolph	English	Kinsey	Petrarca
Aument	Evankovich	Kirkland	Petri
Baker	Evans	Knowles	Pickett
Barbin	Everett	Kortz	Pyle
Barrar	Fabrizio	Kotik	Quinn
Benninghoff	Farina	Krieger	Rapp
Bishop	Farry	Kula	Ravenstahl
Bizzarro	Fee	Lawrence	Readshaw
Bloom	Fleck	Longietti	Reed
Boback	Flynn	Lucas	Reese
Boyle, B.	Frankel	Mackenzie	Regan
Boyle, K.	Freeman	Maher	Roae
Bradford	Gabler	Mahoney	Rock
Briggs	Gainey	Major	Roebuck
Brooks	Galloway	Maloney	Ross
Brown, R.	Gergely	Markosek	Rozzi
Brown, V.	Gibbons	Marshall	Sabatina
Brownlee	Gillen	Marsico	Saccone
Burns	Gillespie	Masser	Sainato
Caltagirone	Gingrich	Matzie	Samuelson
Carroll	Godshall	McCarter	Sankey
Causer	Goodman	McGeehan	Santarsiero
Christiania	Greiner	McGinnis	Saylor
Clay	Grell	McNeill	Scavello
Clymer	Grove	Mentzer	Schlossberg
Cohen	Hackett	Metcalfe	Simmons
Conklin	Haggerty	Metzgar	Smith
Corbin	Hahn	Micozzie	Snyder
Costa, P.	Hanna	Millard	Sonney
Cox	Harhai	Miller	Stephens
Cruz	Harhart	Milne	Stern
Culver	Harkins	Mirabito	Stevenson
Cutler	Harper	Miranda	Sturla
Daley, M.	Harris, A.	Molchany	Swanger
Daley, P.	Harris, J.	Moul	Tallman
Davidson	Heffley	Mullery	Taylor
Day	Helm	Mundy	Thomas
Dean	Hennessey	Murt	Tobash
Deasy	Hess	Mustio	Toepel
DeLissio	Hickernell	Neilson	Toohil
Delozier	James	Neuman	Truitt
DeLuca	Kampf	O'Brien	Turzai
Denlinger	Kauffman	O'Neill	Vereb
Dermody	Kavulich	Oberlander	Vitali
DiGirolamo	Keller, F.	Painter	Waters
Donatucci	Keller, M.K.	Parker	Watson
Dunbar	Keller, W.	Pashinski	Wheatley
Ellis	Killion	Payne	White
Emrick	Kim	Peifer	Youngblood

## NAYS—0

## NOT VOTING—0

## EXCUSED—5

Costa, D.	Haluska	Miccarelli	Sims
Davis			

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?

Bill as amended was agreed to.

(Bill as amended will be reprinted.)

### BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **SB 66, PN 197**, entitled:

An Act amending the act of June 27, 1996 (P.L.403, No.58), known as the Community and Economic Development Enhancement Act, codifying the State Tax Equalization Board into the act; further providing for creation of board, for membership, for general powers and duties and for common level ratio; providing for publication of information by board funding contingency; and making a related repeal

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

(Bill analysis was read.)

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

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—196

Adolph	English	Kinsey	Petrarca
Aument	Evankovich	Kirkland	Petri
Baker	Evans	Knowles	Pickett
Barbin	Everett	Kortz	Pyle
Barrar	Fabrizio	Kotik	Quinn
Benninghoff	Farina	Krieger	Rapp
Bishop	Farry	Kula	Ravenstahl
Bizzarro	Fee	Lawrence	Readshaw
Bloom	Fleck	Longietti	Reed
Boback	Flynn	Lucas	Reese
Boyle, B.	Frankel	Mackenzie	Regan
Boyle, K.	Freeman	Maher	Roae
Bradford	Gabler	Mahoney	Rock
Briggs	Gainey	Major	Roebuck
Brooks	Galloway	Maloney	Ross
Brown, R.	Gergely	Markosek	Rozzi
Brown, V.	Gibbons	Marshall	Sabatina
Brownlee	Gillen	Marsico	Saccone
Burns	Gillespie	Masser	Sainato
Caltagirone	Gingrich	Matzie	Samuelson
Carroll	Godshall	McCarter	Sankey
Causar	Goodman	McGeehan	Santarsiero
Christiana	Greiner	McGinnis	Saylor
Clay	Grell	McNeill	Scavello
Clymer	Grove	Mentzer	Schlossberg
Cohen	Hackett	Metcalfe	Simmons
Conklin	Haggerty	Metzgar	Smith
Corbin	Hahn	Micozzie	Snyder
Costa, P.	Hanna	Millard	Sonney
Cox	Harhai	Miller	Stephens
Cruz	Harhart	Milne	Stern
Culver	Harkins	Mirabito	Stevenson
Cutler	Harper	Miranda	Sturla

Daley, M.	Harris, A.	Molchany	Swanger
Daley, P.	Harris, J.	Moul	Tallman
Davidson	Heffley	Mullery	Taylor
Day	Helm	Mundy	Thomas
Dean	Hennessey	Murt	Tobash
Deasy	Hess	Mustio	Toepel
DeLissio	Hickernell	Neilson	Toohil
Delozier	James	Neuman	Truitt
DeLuca	Kampf	O'Brien	Turzai
Denlinger	Kauffman	O'Neill	Vereb
Dermody	Kavulich	Oberlander	Vitali
DiGirolamo	Keller, F.	Painter	Waters
Donatucci	Keller, M.K.	Parker	Watson
Dunbar	Keller, W.	Pashinski	Wheatley
Ellis	Killion	Payne	White
Emrick	Kim	Peifer	Youngblood

NAYS—0

NOT VOTING—0

EXCUSED—5

Costa, D.	Haluska	Miccarelli	Sims
Davis			

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 return the same to the Senate with the information that the House has passed the same without amendment.

### LEAVE OF ABSENCE

The SPEAKER. The Speaker returns to leaves of absence and recognizes the minority whip, who requests a leave of absence for the gentleman from Lancaster County, Mr. STURLA, for the remainder of the day. Without objection, the leave will be granted.

### COMMITTEE MEETING POSTPONED

The SPEAKER. The Speaker recognizes the lady from Bucks County, Mrs. Watson, for the purpose of an announcement.

Mrs. WATSON. Thank you, Mr. Speaker.

Colleagues, the Children and Youth Committee was scheduled to meet today at the call of the Chair, and due to the gravity of the work that we are doing, we have postponed that meeting. We will send you an e-mail when it will be rescheduled, when we come back.

But again, the meeting for today of the Children and Youth Committee that was scheduled call of the Chair is canceled and it will be rescheduled.

Thank you, Mr. Speaker.

### FILMING PERMISSION

The SPEAKER. The Speaker grants permission for media access to the House floor to Chris Knight of The Morning Call for still photos for approximately 10 minutes.



## SUPPLEMENTAL CALENDAR A

## BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 790, PN 1246**, entitled:

An Act amending the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, in preliminary provisions, further providing for definitions and for interpretation; in the Pennsylvania Liquor Control Board, further providing for general powers, providing for fee adjustment by regulation and further providing for subject of regulations and for wine and spirits marketing; in Pennsylvania Liquor Stores, further providing for establishment and for sales; providing for wine and spirits distribution; in licensing, providing for issuance of wine and spirits retail licenses, fees, taxes, for postqualification of selected applicants and for wine and spirits retail licensee statement of conditions, further providing for authority, for issuance, for transfer or extension, for fees, for sales and restrictions, for wine auction permits and for importers' licenses; in licensing, providing for grocery store licenses, convenience store licenses; in licensing, further providing for malt and brewed beverages licenses; and further providing for distributor package reform permit, providing for authority to issue liquor licenses to grocery stores, for applications for grocery store retail license, for issuance or transfer of grocery store liquor licenses; providing for sales by liquor licensees and restrictions; further providing for sales by grocery store retail licensees and restriction; in licensing, providing for enhanced distributors licenses; in licensing, further providing for license applications, for license restrictions, for sales, storage and purchase restrictions, for interlocking business, for breweries, for county limitations, for administrative proceedings, for assignability, for renewal and temporary provisions, for sanctions, for local option, for responsible alcohol management, for unlawful acts and for hours of operation; in licensing, providing for unlawful acts and for licensees and taxes; in licensing, further providing for penalties and for vacation of premises; in distilleries, wineries, bonded warehouses, bailees and transporters, further providing for limited wineries, for distilleries and for license fees; and providing for supplemental provisions.

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

(Bill analysis was read.)

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

The question is, shall the bill pass finally?

On that question, the Speaker recognizes the gentleman from Philadelphia County, Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Speaker.

I would just like to kick off this debate on HB 790 by rising to support this bill. I would like to first start out by saying that the members of my committee, both Democrat and Republican, spent a lot of time over the past 4 years, a lot of time this calendar year studying the issues about how to fundamentally change the way alcohol is bought and sold in Pennsylvania. And even though I know my counterpart in committee from Allegheny County will oppose this today, I will say that I think that at some point in this process through debate today, through the debate in the Senate, we will agree on a product. We will agree on a product that can get 203 votes, and that is the goal, but we are just kicking this off today.

But we have an opportunity today to pass this bill and to continue the discussion and send this bill to the Senate. I know the Senate is committed to studying this issue, and I know the

Senate will probably change this bill and have their own ideas, and we will take those ideas and study them when they send them back as well.

But I would like to give you a sense of the kind of input that we took on both sides of the aisle and in committee on this issue. We either met extensively, talked individually, or had hearings with the following groups: the Retail Clerks Union; the brewers, the large brewers and the craft brewers; beer distributors, commonly known as Ds (distributors); wholesale distributors, commonly known as IDs (importing distributors); the taverns, both individually and through their association; restaurants, individually and through their association; grocery stores; big-box retailers; convenience stores; alcohol abuse rehabilitation groups; Pennsylvania wineries; Pennsylvania distilleries; liquor store managers; and board and staff of the Liquor Control Board.

I want everybody to realize that all these groups except big-box and convenience stores want to protect their economic status in this industry. That is very understandable. There is nothing wrong with that. That is not evil. And over the years they have been very good at keeping their particular economic position. In all cases, these groups want to advance their economic situation in terms of sale of alcohol, but most importantly, in all cases, they want to stop others from gaining any economic advantage. And therein lies the dilemma that we always have by trying to increase the availability on one side of the equation and making somebody angry on the other.

Nothing could more illustrate this, I think, than the position of MBDA (Malt Beverage Distributors Association), whom I think a lot of their leaders, but no particular group is more benefited from this legislation than beer distributors, and they oppose it. And they oppose it not because of what we did for them, but they oppose it for what we did for others. And again, that is the reason we cannot come to consensus on too many situations.

And in the past that frustration has led us to put this legislation aside, let it go, and we move on to other matters. But these same groups have growing challenges that we have to fix anyway, whether it be grocery stores using our license to sell beer, six-pack shops selling beer, and pending legislation that threatens the entire industry that we need to address legislatively and we cannot come to a consensus. And I mention that because at some point, we as legislators have to step in, and I always recall a conversation with one of the stakeholders that said, legislators are trying to meddle in an industry they do not understand. We are doing our best to understand it, but that may be the case for every single bill we deal with on this floor. At some point, when parties do not agree, we have to step in and do the best we can, take our best shot, put forth legislation that we think is right, and have it go through the process.

And I talked about all the stakeholders and listed all the organizations and various people in this industry, and I did not mention one, and that is the consumer. And I think there is more and more pressure on this industry to provide convenience to consumers throughout Pennsylvania, and I think HB 790 is an attempt to do that and cause the least amount of damage as possible, and at the same time knowing full well that this bill will end up in the Senate, come back to us, and all of us on both sides of the aisle will be involved in trying to craft a product that works for everybody in Pennsylvania.

As you know, we create 1200 new wine and spirits licenses through beer distributors. We create the opportunity through

restaurant licenses to sell wine. We also create a grocery store license to sell wine as well. There is a program for and a process for divesting our stores. There is a process for divesting our wholesale, and that is not something that we take lightly. Certainly, we all are concerned about the loss of jobs. Nobody in this chamber or any other chamber wants that to happen, but this process has to get kicked off today.

I would urge everybody to support 790, get it over to the Senate, have them look at it, and we will be able to go from there. Thank you.

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

On that question, the Speaker recognizes the gentleman from Clinton County, Mr. Hanna.

Mr. HANNA. Thank you, Mr. Speaker.

Mr. Speaker, I rise in opposition to HB 790. Mr. Speaker, I would like to address some of the arguments set forth by the majority chairman of our Liquor Committee.

You know, arguing that this bill will not be the final product is no justification for a "yes" vote for this disastrous proposal. Arguing that input was heard from numerous stakeholders is no justification for a "yes" vote for this disastrous proposal, especially when no hearings were held and most of those stakeholders have issued letters strongly opposing this product. Arguing that consumers want change is no justification for a "yes" vote, when the Costa amendment would have provided convenience and raised between \$20 and \$70 million per year in addition for the Commonwealth. And yes, if you do want to protect jobs, then vote "no" on this proposal, Mr. Speaker.

Mr. Speaker, Governor Corbett cut \$1 billion from public education in his first 2 years in office.

Mr. TURZAI. Point of order, Mr. Speaker.

Mr. HANNA. Then Governor Corbett came forward—

Mr. TURZAI. Point of order, Mr. Speaker.

Mr. HANNA. —and said he would raise \$1 billion for education.

The SPEAKER. The House will come to order. The House will come to order. The gentleman will suspend.

The gentleman may continue.

Mr. HANNA. Thank you, Mr. Speaker.

Then Governor Corbett said he would raise \$1 billion for education by selling off Pennsylvania liquor stores to his corporate friends. But this scheme proposed by HB 790 would guarantee a net annual loss of hundreds of millions of dollars to the State budget, not only failing to raise one new dollar for education but also necessitating further critical cuts to programs and services. This includes about \$70 million in lost profits we could have generated by simply modernizing our liquor laws as the Costa amendment proposed. About \$20 million in tax revenue would be lost, because while the tax collection rate on liquor and wine sales is currently 100 percent, it is estimated that at least 5 percent of the private retailers will not pay their taxes. That loss of State revenue will result not only in painful, unnecessary cuts to critical programs, but it also will lead to tax increases on working middle-class families who will have to make up that shortfall, and yes, still it will not raise one new dollar for public education.

We are also looking at a loss of State revenue from the transition costs. How much will the transition cost the State? The bill requires the use of a consultant for the divestiture process. How much will that consultant be paid? And about 4,000 public servants will lose their jobs, qualifying for

unemployment compensation and leave payouts. How much will that cost the State? How much will it cost the State to break these 600 store leases? The Governor's own financial analysis of his liquor privatization would have cost the State \$1.4 billion in upfront costs over the first 5 years. Compare that number to the estimated amount of money this proposal would yield, somewhere between \$400 and \$800 million, according to the majority chairman of our Liquor Control Committee.

Simple math tells you that this privatization scheme would cost a net loss to the State of at least \$600 million over the next 5 years, and still not raise one single dollar for public education. Those are not our numbers; those are the estimates from the Governor's Office and the House Republicans. Even if transition costs come in lower than the Governor projected, remember: We are permanently giving up annual revenue of a quarter of a billion dollars per year for an unknown, one-time infusion of capital.

Make no mistake: Those lost revenues will be borne by Pennsylvania taxpayers. Losing that revenue is sure to lead to troublesome, preventable cuts to critical programs and tax increases on working middle-class families to make up for the shortfall. And remember, contrary to Governor Corbett's promise, under no set of circumstances does this result in one additional dollar for public education; under no set of circumstances does it result in one additional dollar for public education.

Mr. Speaker, I urge a "no" vote on this bill. Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Allegheny County, Mr. Wheatley.

Mr. WHEATLEY. Thank you, Mr. Speaker.

I rise to interrogate the maker of the bill.

The SPEAKER. The gentleman—

Mr. TAYLOR. Mr. Speaker, I am not the maker of the bill, necessarily, but I will be glad to answer questions.

The SPEAKER. The gentleman, Mr. Taylor, the chairman of the House Liquor Control Committee, indicates he will stand for interrogation, if that would suffice?

Mr. WHEATLEY. Sure. Thank you.

The SPEAKER. The gentleman may proceed.

Mr. WHEATLEY. Mr. Speaker, I just want to be clear: In this bill, are there any provisions for local control of any saturation of liquor licenses or wine and spirits or any licenses that might be located in a local municipality, borough, or township?

Mr. TAYLOR. In this bill, it does not direct municipalities, but I would offer two thoughts on that. Number one, your municipalities have the ability to control, in many cases, zoning. We know in particular in Pittsburgh there is a problem right now. We passed a bill out of committee on Monday that gives them more control on saturation points. But in terms of this particular legislation, it does not address that.

Mr. WHEATLEY. Thank you.

And were there any studies or information data points gathered or collected that help prepare this bill and its ramifications around any other increased social impacts that may happen with the expansion of the availability of licenses?

Mr. TAYLOR. No, but keep in mind that we are expanding really just in the area of grocery store wine licenses. The wine and spirits outlets are already through current licensees. So except for a grocery store license, across the board, the way this

legislation stands, there is a possibility of no new licensees whatsoever.

Mr. WHEATLEY. So again, for my own clarity, I just want to make sure, we currently have – what is it? – 600 licenses across the Commonwealth?

Mr. TAYLOR. Approximately 600; 599 State stores right now.

Mr. WHEATLEY. And with HB 790, the availability of increased licenses could max out at what number?

Mr. TAYLOR. 1200.

Mr. WHEATLEY. 1200. So there is a potential for an expansion of 600 or so additional licenses. So was there any collection of information that would help us understand if there will be increased social impacts or law enforcement impacts with the increased availability of places where people can go and buy wines and spirits?

Mr. TAYLOR. Thank you. Let me try to explain it again. There will be no increase in licenses. Those licenses, in terms of wine and spirits, are already distributor licenses, so are there studies on whether or not – what you are maybe talking about is that we will be expanding alcohol sales within those licenses. Is there a study to suggest the impact of that? No.

Mr. WHEATLEY. So it is my understanding, again, that that is only if the current licensees buy into the additional licenses, but if there are new buyers of these licenses, that would mean an increase in license. But I am not going to argue that point. The point, Mr. Speaker, if I can make a – and I thank the gentleman for interrogation. I would like to make a comment.

The SPEAKER. The gentleman may continue on the bill.

Mr. WHEATLEY. Thank you.

I spoke about this inside of the Liquor Committee, and I generally feel that a lot of our conversation has focused a lot on the economics of should we be in the liquor business or not in the wine and spirits business, and so on and so forth. We talked a lot about the philosophical principles of government and consumers having choice and so on and so forth, but what we have not talked about, and what I think is important for us to contemplate as we think about this expansion without any types of control or understanding of what the broader impacts may be to our communities, townships, and boroughs, is the fact that – I will equate it as someone told me before – if you have 100 people put in a room, and you have all the liquor, wine, and spirits available, 7 people will drink and indulge, but 93 people will pay for all of that overindulgence.

So you are increasing the social implications of regular everyday citizens who want to enjoy living a quality of life that they have worked hard for, but now they will have the responsibility, the added responsibility, of taking care of some who overindulge, and now the society has to be responsible for their care. And we are doing it without any information to help us understand where those additional supports might have to come from or what will happen when we do this or what may not happen. We might come back and say it will not happen and it will be all right, but we have not done any of those preliminary bits of work to help base the foundation of why we want to expand this. All we have done so far is said the economics of this and the philosophical standpoints of us being out of the wine and spirits business are what should propel this bill forward.

I will tell you that if you live in an urban area across the Commonwealth or you live in an area that is close to a high-profit market, you will have to deal with these social, these additional social realities. And so for us to not really truly vet that implication— And then on top of that, what happens to our displaced workers, that we all have to agree there might be some workers who are going to be impacted. We give some support, minimal support, in this bill for education, and I asked this again in Liquor Committee and I will state it here for you, Mr. Speaker, that unless we have based it on real costs for folks to go back and retrain themselves through our higher education institution, just throwing a thousand dollars here or two thousand dollars there, when that does not pay for a credit hour in any facility that we might have, I think that is irresponsible for us to do that.

I think we need to slow down. We need to realize that this is going to have major implications not only to our economy but to our social safety net that we have already overstretched. I think we really need to pause for a moment and believe in the fact that if we want to get to the point where government gets out of the liquor, wine, spirits, beer, whatever industry, then we should do it correctly and not rush to do it. We should really understand all the dynamics of what it means. And for those who believe in local control, for us not to have some types of processes and regulations that empower our local municipalities, townships, and boroughs to regulate this increase is irresponsible. For us not to have some support to law enforcement, of any potential law enforcement that might have to deal with any increased issues with the expansion of the availability of licenses or where people can go and buy their wines and spirits and beer, I think is irresponsible.

I would encourage our members to not rush to do something to make a philosophical point, but to let us really work together and develop something that we all can be proud of, that has taken in all of the issues and concerns and legitimate rationales for why we need to make sure we get this right. I know I might be speaking to a made-up mind around here, but I have to say it, because when this thing is fully instituted and we see an increase of alcoholism or we see an increase of destruction that happens in our neighborhoods because of more accessibility to a drug, then we have a responsibility to then pay for that. So if you are not willing to pay for it through the social safety net programs, then we should not be quick to run to expand access that only leads to an increase of cost.

So, Mr. Speaker, with that, I would encourage all of our members around here to vote "no" on HB 790, and let us continue to work together to get this right so we do not overburden our local municipalities and townships to deal with an issue that we are unable or unwilling to do here today in our chamber.

So thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Cambria County, Mr. Barbin.

Mr. BARBIN. Thank you, Mr. Speaker.

I also rise in opposition to HB 790 for similar reasons to the last speaker. We have a system that currently favors small business, and it has led to the lowest rates of alcohol-related deaths in the nation. We also currently spend almost \$1 billion on drug and alcohol programs. There is nothing in this bill that was unveiled last Thursday, 194 pages, that would address any of those issues.



Some say we should eliminate this system for convenience; I disagree. My objections can be summarized as follows: There once was a bus named "Booze," that claimed we had nothing to lose. The half-truths were touted while all the pitch files were doubted, until it came time to choose. The side of the bus read "a billion for us," but beneath was a shadow unseen. At the first stop, 1800 licenses were given to the rich who were driven, but none for a mom or a pop. At the second stop, 4500 employees were taken to the poor farm forsaken, while the box stores employed just the same. At the third stop, the distributors who competed were all left defeated, while the rich had one more for the road. At the fourth stop, the bus needed gas, so the convenience stores got a pass to provide more booze in the city. As they headed for the last stop, people clambered for a ride but more citizens had died, leaving only their loved ones behind. As the bus pulled out of sight, there was suddenly a light showing true benefit and cost. Like a chameleon, the bus changed; there below the sound bite where the paint had worn off was the truth about privatization: A billion for us, all costs to you.

Bing Crosby led our citizens in a final chorus of "Mister Booze." You remember the song: "Mister Booze, Mister Booze...you..." will "lose with Mister Booze...Mister B, double O, Z, E...."

Mr. Speaker, misery for the many to pay for the private benefits of the few in the name of convenience is not good policy or freedom. I choose not to ride this bus.

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

On that question, the Speaker recognizes the gentleman from Northampton County, Mr. Freeman.

Mr. FREEMAN. Thank you, Mr. Speaker.

Mr. Speaker, I rise in opposition to HB 790 today. I am convinced that the proposal before us today in this chamber to privatize and expand liquor sales in Pennsylvania is not truly in the best interest of the citizens of the Commonwealth of Pennsylvania.

The current State store system, Mr. Speaker, has served us well over the years that it has been in place. It has continued to improve in terms of selection, in terms of price, and in terms of consumer-friendliness. There is more that can be done to modernize and improve the system, and I believe the Costa amendment that was offered yesterday indicates the direction that the State store system should go in.

We have heard much talk about the so-called benefits of privatization, but the reality is that there are many, many more negative effects that will be realized from privatization than there are benefits. Our current system offers good selection at a reasonable price in a controlled way that strikes the right balance by providing a reasonable availability to alcohol but with the kind of limitations and safeguards that prevent the access to alcohol by minors and reduce the wider potential for the abuse of alcohol that results in increased crime, accidents, and death.

From a financial standpoint, the current system has provided needed revenue to the State without costing the taxpayers a dime, and that is because it is a self-supporting system that produces a profit. The advocates for HB 790 point to the amount of revenue that is anticipated to be raised from the sale of the State stores and the expansion by 3 times the number of licensed facilities plus grocery stores that will now be able to sell the types of alcoholic beverages that have been confined to some 600 State stores.

While the sale of these State stores and expanded licenses will result in a one-time infusion of dollars, it will not make up for the ongoing loss in revenue, somewhere in the nature of upwards of a quarter of a billion dollars annually, which will be the legacy of this bill and which we will lose here in Pennsylvania. Once you sell the hen, you no longer get any more eggs.

The sale of the State store system will also result in the loss of some 5,000 family-sustaining jobs, as the retail clerks working in the system will lose their living-wage jobs and see minimum-wage jobs take their place. The 1200 small business beer distributors will face a hard time surviving under this legislation, as they will in most cases be unable to afford the new and expanded licenses and will be squeezed out by the big-box stores and chains who will now dominate the sale of beer, liquor, and wine in Pennsylvania.

This legislation does away with a public asset, an asset that belongs to the people, Mr. Speaker, that has been run for a public good and a public benefit. In its place will arise a private system more like an oligopoly than a free market enterprise system, as it will be dominated by big-box stores and big-business chains, not the small entrepreneur; a private system that will be motivated first and foremost by the motive to make a profit. No one doubts the success of the profit motive in selling a product; that profit motive is the centerpiece of our capitalist economic system and has served us well in providing many everyday goods of life.

But make no mistake about it: Alcohol is not an ordinary everyday good of life. It is a drug that needs to be regulated and controlled in an appropriate fashion to prevent it from having horrible consequences for society. That is why we prohibit minors from purchasing and consuming it. That is why we have passed tough laws to take drunk drivers off of our roads. That is why we recognize the need to fund drug and alcohol programs to help heal those afflicted by the disease of alcoholism. And that is why for the past almost 80-some years, Pennsylvania has stood by its current system: because it is a safeguard against expanding those abuses.

The test for a good system is how to balance the access to alcohol for adults who use it responsibly without creating an environment that will increase the problems associated with expanded alcohol availability and the health and safety risks from its increased consumption and abuse. These problems are very real, and make no mistake about it, they will increase in number under the system envisioned in this bill.

Some have argued that selling wine and spirits is not one of core responsibilities of government, that the free market should determine how alcohol is sold. Even the advocates of this proposal do not entirely buy into that ideological argument, however, or they would not have limited the number of licenses that can be purchased under this proposal. A true marketplace-driven alternative to the State store system would have allowed anyone to purchase a license to sell wine, liquor, and beer, and not cap the available number of licenses that would be out there. Even the supporters of this bill realize that such a free market approach to alcohol would have dire consequences from a health and safety standpoint for Pennsylvania. So they pulled back from a free market approach and instead offered a proposal that will make the well-heeled and the well-connected wealthier while driving the small business beer distributors from the business and causing a loss

of good-paying jobs by abolishing the jobs of thousands of State store employees.

So if we recognize the dangers of expanded access to alcohol, why would we triple the number of outlets for its availability and put in the hands of a profit-driven motive system when our current State store system strikes the right balance between availability and control? This bill will assist the biggest of corporate interests to gain even greater wealth without any assurance that consumers will have a more reasonably priced product to buy, without any assurance that consumers will enjoy a greater selection than the current system offers them through its tremendous buying power, and without any guarantees that a private and expanded system of alcohol product delivery is better suited to prevent underage drinking and the host of ills associated with alcohol abuse.

Many groups have voiced their opposition to the proposal for the reasons that I have cited. In addition to the opposition expressed by labor unions and the beer industry, the Mothers Against Drunk Driving have weighed in against this measure. And those who look out for our public safety and well-being have also come out against this bill. The Pennsylvania Professional Fire Fighters Association and the Fraternal Order of Police oppose this legislation. The Drug and Alcohol Service Providers Organization of Pennsylvania, who deal with the problems of drug and alcohol abuse on a daily basis in their work, are also against this measure and have pointed out in their correspondence to the members of this chamber that they, quote, "can't imagine a scenario under which increases in access to alcohol could possibly help reduce alcohol-related crimes...or how increased access to alcohol could possibly help reduce alcohol-related health problems."

Indeed, the Drug and Alcohol Service Providers Organization of Pennsylvania in their correspondence also noted that according to the Centers for Disease Control and Prevention, Pennsylvania has the lowest rate of deaths from alcohol-induced causes – the lowest rate in the nation. And yet, as the Pacific Institute for Research and Evaluation has observed, Pennsylvania generates more revenue from sales and taxes on spirits and wine than all other States in the Union except for Texas. That is what comes from having the kind of balanced system that we have here in Pennsylvania today: good revenues with lesser alcohol-related problems.

Our Commonwealth and its citizens are much better off improving and modernizing the current system than they are in selling off this important public asset.

Mr. Speaker, I urge a "no" vote on HB 790.

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

On that question, the Speaker recognizes the gentleman from Delaware County, Mr. Adolph.

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

Mr. Speaker, I rise to support HB 790. Before I give some of my comments regarding this legislation, I just want to put into the record the revenue that this bill will generate for the Commonwealth of Pennsylvania. In one-time license fees, a total over \$1.1 billion will be generated to be put into a restricted account created in the State Stores Fund.

Now, there have been some speakers that have mentioned that we do not dedicate this \$1 billion to public education. Mr. Speaker, this will be the legislature's decision, when and how we will use that \$1.1 billion when all these licenses are paid for. I am sure, just as I am standing here today before you

on this historical vote, that money generated by the sale of these licenses will be put into public education. When and how much will be your decision as we debate this legislation.

Today our Liquor Control Board puts in \$2 million a year for alcohol education and treatment. Some of the speakers said today that there is nothing in this bill for that. The reality of the situation, the first year we increase that amount by \$1.5 million, and the next 4 years we double it to \$4 million a year. We take it very seriously. This legislature, this General Assembly, created a new department for drug and alcohol, so we take this very seriously.

We are not inventing the wheel here. The taxes will remain the same. Very conservatively the revenue, once all the licenses are in operation, will increase. Volume will go up. Every weekend from Memorial Day to Labor Day, 2 million people from Pennsylvania travel to New Jersey. I would venture to say currently they wait to get to New Jersey to buy their case of beer or their bottle of wine, but under this proposal, they may be able to buy a case of beer after 8 o'clock on a Friday night or a bottle of wine after 10 o'clock, and take that down to the Jersey shore and enjoy the weekend.

When we did gambling here in the Commonwealth of Pennsylvania, we went down and we counted the number of Pennsylvania license plates that were in the parking lots of the Atlantic City casinos. And obviously, 5 years later after we implemented casino gambling in Pennsylvania, we have seen the benefits: jobs, as well as a decrease in revenue down in Atlantic City.

Forty-eight other States do not have the system that we have here; 48 other States. We have private owners of our taverns. We have private owners of our distributors. We have private owners of the delivery trucks. Why do we not think that private industry could not sell retail wine and liquor? Why do we think State government can do a better job? It is my opinion, based around traveling up and down the United States, that I believe we can do a better job.

The fear of these individual small businesses of losing their licenses alone will make sure that underage drinking will not occur. We put in an amendment yesterday that there will be no one able to checkout themselves as another safeguard. The fear of losing a license on your livelihood will assure Pennsylvania will continue to control who buys the alcohol here in Pennsylvania.

Mr. Speaker, I heard about the modernization plan that did not pass here yesterday, and you cannot have it both ways. You cannot talk about increasing the sales of one industry is bad and then present a plan that does exactly that – at a cost.

I believe Chairman Taylor has done an outstanding job in putting together a bill that will start getting Pennsylvania out of the business of both wholesale and retail sales of wine and spirits, giving private industry an opportunity. Yes, there will be some larger corporations involved in this business, but those larger corporations also employ Pennsylvania residents. I believe the employment will go up, not down, when this plan is fully implemented.

Lastly, modernization will start in Pennsylvania the first day that a private owner will be able to sell wine and liquor here in Pennsylvania to his friends and neighbors and keep his community safe, and they will do a good job. And this is a first step to getting Pennsylvania out of an archaic system we should have never been in to begin with. Thank you very much.

## LEAVE OF ABSENCE

The SPEAKER. The Speaker returns to leaves of absence and recognizes the minority whip, who requests a leave of absence for the lady, Mrs. DAVIDSON, from Delaware County. Without objection, the leave will be granted.

## LEAVE OF ABSENCE CANCELED

The SPEAKER. Additionally, the Speaker recognizes the presence of the gentleman, Mr. Sturla, on the floor of the House. His name will be added back to the master roll call.

## CONSIDERATION OF HB 790 CONTINUED

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

On that question, the Speaker recognizes the gentleman from Allegheny County, Mr. Markosek.

Mr. MARKOSEK. Thank you, Mr. Speaker.

Mr. Speaker, within the last few years we had the refineries in southeastern Pennsylvania shut down and be threatened to leave. We had the 911th Airlift Wing in southwestern Pennsylvania that was announced by the Federal government that that would be closed and we would lose hundreds of jobs in the surrounding economic spin-off from that particular site. The Sony plant in Westmoreland County is now gone, but it was a big employment generator in the southwest part of the State. And we know just last year, last summer, last June, we passed a bill that we would encourage and provide a lot of State funding for a new cracker plant in Beaver County in southwestern Pennsylvania.

And all of those, in all of those issues there was a widespread general feeling that we all, on a bipartisan basis, ought to put our heads together and put our resources together to save those entities and to save those jobs and to save that economic viability that they all bring. We spent a lot of State money, in some cases, to do that. We spent a lot of Federal money, in some cases, to do that. And we stood side by side with our Federal Representatives, in many cases, and the administration in a bipartisan manner to save those jobs.

Now we look and we see that we have 5,000 similar jobs in our State liquor store system, very good-paying jobs with very, very good benefits. And instead of doing what we can to not only keep those jobs but to enhance those jobs, HB 790 wants us to take a hit in the General Fund budget so that we can lose those jobs. It makes no sense.

This bill sacrifices a dependable revenue stream for a one-time gain by creating a complicated and confusing system of alcohol sales throughout the Commonwealth.

Consumers will most likely see higher prices for liquor and wine and less selection, which is the opposite, which is the opposite of what consumers want. With upfront licensing fees and additional markups at the wholesale and retail levels, prices would most likely increase. Prices and selection would vary from store to store. Not all beer distributors and grocery stores would sell wine and liquor. Consumers would still need to shop around.

As the Appropriations chair, I must point out the fiscal uncertainties of this legislation. This bill is full of unknowns. It is delusory and illusory because it establishes 35 different licensing options and even more associated fee options. From

what we can estimate, this bill would result in a net loss of about \$170 million to the State budget every year; \$170 million lost to the State budget every year at a time when we all know how short and how scarce State dollars are.

And then we get to what I consider to be the shrinking violet clause of this legislation, and if there was ever a quintessential moment when the phrase "fuzzy math" would come into play, I think this is it. That is the one-time revenue that the advocates of this legislation continue to tout, which is estimated to be between \$400 million and \$1.1 billion, which is a huge disparity. To get to that \$1.1 billion, you would almost have to have the perfect storm. Something far lower is far more likely to occur. If we pass this bill, it will lead to automatic cuts in the General Fund every year, but we are willing to sacrifice to let private industry reap these profits. Republicans base their estimates on increased alcohol consumption. With increased consumption, there will be social consequences and increased costs; however, this bill does nothing to address increased costs for law enforcement and alcohol treatment and prevention.

Unlike the Governor's proposal, this bill does not specify that the one-time proceeds would be used for education. The one-time proceeds from selling the liquor stores would be deposited into the State Stores Fund. We have no assurances this money will be used for education, and as an aside to that, we actually had several Republican members appear before our committee this year and indicate that they wanted to see that money go to transportation, and I am sure we all would have a different opinion on where it may or may not go. But the point is, this bill does not tell you where it will go. For all we know, it may go nowhere. Instead, we, the Democratic Caucus, support modernization and increasing the profitability of the State liquor store system, which would add money to the General Fund, not take it away.

Legislative efforts to modernize Pennsylvania's alcohol laws could add about \$70 million to the profits transferred to the State annually, increase customer convenience, and retain – and this is the big difference – retain public-sector jobs. We support marketing changes to our laws to improve convenience for consumers, not create confusion. Let me repeat that: What this bill does creates confusion. Our constituents want convenience, not confusion, allowing the LCB (Liquor Control Board) to open more stores on Sundays and keep the stores open longer. Modernization would be keeping wine and liquor prices low through the bulk purchasing power of the LCB, which is about to go out the window. Keep in mind, we have the bulk purchasing power going for us now with the LCB. Allowing direct shipment of wine to consumers, keeping in place the highly effective protection against underage purchases, and preserving, again, preserving thousands of jobs for the middle class.

Let me just summarize by saying there are three major costs to this bill. One is of course the human cost associated with HB 790: more alcohol availability with less control, more crime and more reason to depend on our county human services departments in our counties, more DUIs (driving under the influence) and alcohol-related crimes. And keep in mind, alcohol is the most abused drug.

There are budgetary costs to this. There is an immediate loss, as I have mentioned, of \$170 million each and every year to the State budget, and it creates an illusory and delusory one-time lump sum based on who knows – based on conjecture,



serendipity, whatever you want to call it. It is a huge, huge gamble.

And third, there is the huge economic cost. If we pass this bill, it would be like closing down, closing back down the refineries, getting rid of the 911th Airlift Wing in southwestern Pennsylvania, or taking away the potential jobs at the cracker plant. That would be the equivalent of what we are doing. We would be losing money in order to cut jobs, which makes no sense at all from a policy point of view.

We do not support this bill which sacrifices a dependable revenue stream for a one-time gain, and I strongly, and I think our caucus strongly encourages a "no" vote on this legislation. Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Allegheny County, Mr. Kortz.

Mr. KORTZ. Thank you, Mr. Speaker.

I rise in opposition to HB 790 because the costs are too great to the people of Pennsylvania and the State's financial picture. The costs are too great in human toll, in jobs lost. The costs are too great in public safety and societal impact. The costs are too great in the revenue loss. And all of this done, Mr. Speaker, without any public hearings on HB 790. I repeat that: We have had no public hearings on HB 790, sir.

First, the human toll. As already has been mentioned, 5,000 family-sustaining jobs will be lost by this measure, Mr. Speaker. They will be eliminated. These 5,000 breadwinners will be out in the cold; no job, no ability to provide for themselves and their family. That is right, Mr. Speaker, these people have families. The spouses, the significant others of these employees will be negatively impacted, and the children.

Let us talk numbers. Let us see the true impact. Five thousand employees out of work that provide for their families; 4,000 spouses and significant others; 10,000 children impacted, Mr. Speaker. Yes, children that will not have their parents there to provide for them. And I just happen to have with me today, and I carried it in my pocket, little 6-year-old David. I brought him with me on the floor here. Here is a real person that is provided. His mother is the breadwinner in the family. David will not have someone to take care of him because she will be out of a job. There are 10,000 Davids and Suzies that will be impacted across this State, Mr. Speaker, and that is wrong. So when you add up the total number of people just on the State store side, we have 19,000 people impacted.

Now let us talk on the distributor side. This bill jeopardizes 1200 Main Street, family-owned beer distributors, Mr. Speaker, with combined employees or jobs between fifteen and seventeen thousand. Worst-case scenario, let us take the 17,000 people. When HB 790 kicks in, they get kicked out. And if they only have one person at home they have to take care of, that is another 17,000. Let us do the math: 17,000, 17,000; that is 34,000 on top of the other 19,000 people impacted from the State stores. We are up to 53,000 citizens in this State that will be negatively impacted if HB 790 passes.

Mr. Speaker, that is a recipe for disaster. In the Governor's report – it was the Public Financial Management report the Governor commissioned to take a look at this – he stated that he promises there will be plenty of jobs. But the PFM report – it was right in their report – they make it clear that large chain

retailers will not need to hire new workers. It is right in their report. They are not going to hire any new people. So 53,000 people will be impacted because they are people that are not going to get hired. The cost in human terms is unacceptable, Mr. Speaker.

And what about the employees' health care, Mr. Speaker? Nobody has really talked about the health care. The health care is gone. All these people will be without health care. I have constituents in my area, and many of my colleagues here, you all have constituents that are employed in this industry. They are not going to have health care. Some of them have e-mailed me. Some of them have some serious situations that they need the medication, they need to see their doctor. Well, guess what? The health care is gone. Is that what you want for your people? I do not think so. But HB 790 cuts them off.

Mr. Speaker, those that vote "yes" to HB 790 are turning their back on these 53,000 people in this State, as far as I am concerned, because under this bill, gone is the money they earn to feed themselves and their families; gone is the health care for the men, women, and children that this industry provides for, Mr. Speaker. HB 790 is a Trojan horse with tragic consequences.

The cost to public safety and societal impacts. Washington State had a grand illusion of privatizing their system last June. That is right: 9 months ago Washington State took this step, Mr. Speaker. Let us see what their experience has been. Robbery is up 42 percent. Oh, that is a good thing, right? Burglary is up 40 percent; juvenile arrests up 21 percent; domestic violence, 13-percent increase; DUIs up 10 percent. Because of the increase in crime, the F.O.P. (Fraternal Order of Police) and the police chiefs association are opposed to HB 790. They have seen what has happened in other States when they have privatized. They see that it is bad for the public. They see it is bad for their safety. The costs in public safety are way too high, Mr. Speaker. The current system protects the public because the people that work there ensure that no minors get ahold of the wine and spirits, nor will the visibly intoxicated people. They are the safeguard. They are on the front line. They are the vanguard to protect society. That will be gone.

Let us talk about the minors under HB 790, the minors that will not get booze if we put in HB 790. Oh, really? Well, I guess they have a new fad and phenomenon in these States that have privatized. It is called the beer run. If any of you would like to look it up, please, google it. In all the States where they have privatized, they have these young kids. It is a fad. It is called "the beer run," quote, end quote. They fly into the store, steal a six-pack, and out they go. It has become so prevalent to police, it is very hard to stop. Well, if they are doing that with beer, they are also going to do that with whiskey and wine. That is coming to Pennsylvania, the beer run, Mr. Speaker. I do not want it here. I do not want to see our minors getting ahold of booze.

Self-checkout at liquor. Mr. Speaker, I appreciate the gentlelady from Mercer County yesterday putting in the amendment on the self-checkout counters, where they could not purchase the wine and get through there; however, there is a flaw in that, and there is a little bit of a loophole we discussed earlier today. It appears that you can get the spirits out of there. So if you have a young person come in there and they have borrowed their brother's ID (identification) or older sister's



ID that is over 21, and they grab a box of Cap'n Crunch and a bottle of Captain Morgan and sneak up there and go through the self-checkout, I guess they will be able to get that. Or maybe Tostitos and Tanqueray are the order of the day, I do not know. But in either case, it is wrong, Mr. Speaker.

The other issue that I see a big flaw in this bill, Mr. Speaker, is the stocking issue. Currently in the State store system, you cannot be under 18 years of age. And to sell it, as we all know, you have to be at least 21. But in the stocking system, you can be 18, and it is regulated back there. They have cameras. They are overseen by a number of people that are in the store. However, once you move this stuff to the private sector, you can have stock boys, stock girls, 17, 16, 15, 14. What do you think is going to happen back there? You think the temptation is going to be great on them to maybe sneak a bottle? Absolutely. We are going to put a great temptation on these young folks. They are going to have the ability to sneak out of there with a bottle of booze. Again, minors getting ahold of booze when they should not do it. This is wrong.

I did mention a couple groups, the F.O.P. and the police chiefs association, that are against this. I would be remiss if I did not mention some others, Mr. Speaker, some public health advocates, working Pennsylvanians, civic groups, and they include: the Pennsylvania Professional Fire Fighters; Mothers Against Drunk Driving – yes, Mr. Speaker, the MADD organization is mad that we are doing this – Drug and Alcohol Service Providers Organization of Pennsylvania; Commonwealth Prevention Alliance; U.S. Centers for Disease Control; PA DUI Association; PA Alliance for Retired Americans; Students Against Drunk Driving, SADD; Pennsylvanians Concerned about Alcohol Problems; Pennsylvania Association of Staff Nurses and Allied Professionals; the NAACP (National Association for the Advancement of Colored People); Pittsburgh Interfaith Impact Network; United Methodist Advocacy. And also the CLEAR Coalition (Coalition for Labor Engagement and Accountable Revenues), sir, which includes the Pennsylvania AFL-CIO, AFSCME (American Federation of State, County, and Municipal Employees) Council 47, AFT (American Federation of Teachers), APSCUF (Association of Pennsylvania State College and University Faculties), AFSCME Council 13, SEIU (Service Employees International Union), UFCW (United Food & Commercial Workers), PSEA (Pennsylvania State Education Association). Others include the Teamsters; Steamfitters; the Pennsylvania Beer Alliance, definitely against this, Mr. Speaker; the Malt Beverage Distributors Association; and PANCO – yes, PANCO – which is the Association of Nationally Chartered Organizations, which includes the American Legion, the Elks, the Moose, and the Eagles.

Mr. Speaker, if we allow our youth to get access to booze, many will take that access and take advantage of the situation. The notion that we can just close our eyes and privatize is going to have negative consequences to our youth, and we cannot let this happen, sir.

The cost of revenue. The State store system, as we all know, brings in \$500 million each and every year. It is profitable. It is a stable system. It is consistent. It is audited by the Auditor General. The new system will not be, keep that in mind. This revenue stream is consistently coming into Pennsylvania, and it happens every day at the close of business, Mr. Speaker. There is an electronic transfer of the funds. That will not happen under

HB 790. The current system, we have no tax cheats. We get the money every night. The new system, I have a feeling we are going to be chasing some people for their taxes.

Now, the majority leader's original plan said we would see \$2 billion. That was last session. Then it went down to \$1 billion. Now we are down to \$500 million, and we are dropping. Yesterday the minority chair of the Liquor Control Committee brought up the fact that there is another \$250 million taken away, so now we may be down to \$250 million. But, Mr. Speaker, I would be remiss if I did not bring up again the Governor's own group, the Public Financial Management report, which stated on there that the transition cost alone to go from a State-run system to the public system, just the transition cost is \$1.4 billion; \$1.4 billion. How are we going to make that up, Mr. Speaker? Are we going to cut education again? I certainly hope not. The numbers do not add up. That is the problem, Mr. Speaker.

How about the prices going up? Well, that has been the experience in the States that have privatized, sir. They have seen an increase – we will go back to Washington State; again, it just happened 9 months ago – they have seen an increase in prices from 10 to 30 percent on wine and spirits across the board. That has been their experience, and they have seen this in every State that has privatized. Is that what the people of Pennsylvania want? I do not think so. Everybody that is watching this today, keep in mind, the price of your wine and liquor is going up 10 to 30 percent if 790 gets passed into law. It is definitely going up, and the State's revenue is definitely going down.

West Virginia has lost, since they privatized, \$250 million; never caught up since 1980. In 1985 Iowa privatized. They have lost \$490 million, Mr. Speaker. Maine, since 2004, they have lost \$40 million, and the Republican Governor right now as we speak is trying to get the system back under the State's purview, because he sees that it is a travesty. They have lost a lot of money, and it just is not working, Mr. Speaker. We should not do this.

Mr. Speaker, we had the ability to make this right yesterday with amendment 479, but it was shot down, obviously by the Republican majority. The system could have been modernized. Revenues would have been increased, and we would still have family-sustaining jobs retained in our State stores and our family-owned distributors. Instead of improving a controlled system – a profitable, regulated system – HB 790 is going to destroy the jobs. It is going to destroy the quality of lives, and it is going to destroy our State revenue stream.

Mr. Speaker, as I stated at the very beginning of this, HB 790, the costs are too great, and we have not had any public hearings. Costs in human terms, the suffering imposed on 53,000 men, women, and children is too great and unnecessary. The cost of public safety is too great. An increase in crime is guaranteed under 790, and it has happened in other States. History is our guide on this, Mr. Speaker. Cost to the consumer is going to increase under 790, as I have already mentioned. Loss of State revenue, an absolute certainty, sir. The lucrative, stable, consistent, audited revenue stream – gone under 790.

HB 790 is a bad policy move. It is wrong. It is dangerous. It is a recipe for abuse. It is a recipe for disaster. Alcohol abuse will proliferate, sir, and our youth will be put at risk. Mr. Speaker, I am going to end with that. Our youth is going to be put at risk, and I would urge all my colleagues to vote "no" on HB 790.

Thank you, Mr. Speaker.

### FILMING PERMISSION

The SPEAKER. One other announcement. The Speaker grants permission for media access to the House floor to Sean Simmers of the Harrisburg Patriot-News for still photos for approximately 10 minutes.

### CONSIDERATION OF HB 790 CONTINUED

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

On that question, the Speaker recognizes the gentleman from Bucks County, Mr. Clymer.

Mr. CLYMER. Thank you, Mr. Speaker, and I will try to be brief.

I rise to express serious concerns regarding HB 790 that would privatize the State store system. While the loss of thousands of full-time jobs and the potential loss of yearly cash flow of over \$500 million are important statistics to consider, yet the spiraling increase in alcohol consumption should be a concern to all. This increase in consumption will occur through the availability of thousands of new outlets – 1800 new retail outlets selling wine and spirits – having wine and beer available in supermarkets, convenience stores, and big-box stores; if not big-box stores today, later. So the expansion of retailing alcohol in thousands of bars and restaurants I believe is not good public policy. Count on it: access lead to excess.

Beer ads on television that cater to the young adults have prepared a ready market for the expansion of beer sales. The limited advertising by the State stores will mushroom with private enterprise who will be competing with each other in the marketplace. Indeed, private enterprise will do a much better job than the State stores in marketing alcohol. But there are social consequences to this type of success. As proliferation of alcohol sweeps across Pennsylvania, expect an increase in crime, rape, domestic violence, and more DUIs. Increased alcohol addiction costs society. It costs us in incarceration, court costs, public welfare, job loss, and rehabilitation. Our society is a fragile one. We in the General Assembly have invested billions to strengthen families and penalize those who hurt and harm the innocent, yet today we seem to be moving counterproductive by expanding a product that can create the social problems I just mentioned.

In addition, alcohol addiction can cause serious mental and behavioral problems for those individuals abusing the product. Many of our behavioral health-care services treating those with serious mental conditions will tell you approximately 50 percent of their clients have problems that are alcohol-related. As an example, a report from a recent Pennsylvania-based behavioral health-care center said that they provide 1100 days of intensive inpatient care for alcohol drug clients. Translated, that is 12,000 occupied bed days a year, and they must expand to treat the additional clients because of alcohol and drug abuse.

Need I mention that underage drinking is a serious concern and that our colleges and universities are constantly working with their students to curb alcohol abuse? Police and emergency service personnel have safety concerns when confronting a person intoxicated and out of control. However, the situation that should frighten all of us is the driver who is DUI, driving under the influence, who should not be driving and yet puts at risk himself and the innocent.

These remarks will probably not transition me into the 21st century concerning the sale of alcohol products, and perhaps my thoughts on this issue can be construed as antiquated and outdated, but I will tell you what: trying to prevent these disastrous outcomes from alcohol abuse that take human life and create dysfunctional families and leave families bearing a lifetime of grief and sorrow, wounds that will never heal, is reason enough for me to be a "no" vote on HB 790.

Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Allegheny County, Mr. Paul Costa.

Mr. P. COSTA. Thank you, Mr. Speaker.

Before I begin my comments on HB 790, I would like to take this time out to thank Marcia from Representative Taylor's office and Lynn from my office, and all the other staff that have worked extremely hard, not only over the last couple weeks, but over the last couple years in dealing with this issue. I want to thank you for all the hard work you do.

Mr. Speaker, if it is possible, I would like to interrogate the majority Liquor Committee chair.

The SPEAKER. The gentleman indicates he will stand for interrogation. You may proceed.

Mr. P. COSTA. Thank you, Mr. Speaker.

Mr. Speaker, you know in the meeting that we had on Monday, I had an issue with the line that says at no time shall the board have less than 100 stores. I interpret it as they always have to have at least 100 stores. Your interpretation is once it gets to 99, they have to shut all of them down. Could you explain that, please?

Mr. TAYLOR. Mr. Speaker, I think you carefully and correctly articulated my position on that. I think the intent of that language is, at the point that the system is at 100 or less, 100 or fewer, that the system will no longer operate and those stores will be closed.

Mr. P. COSTA. Thank you.

Mr. TAYLOR. I know we look at it differently, but I guess this clears it up. At least the intent of that legislation, the intent of that language is that at any point there are 100 or fewer, then the board shall not operate any store.

Mr. P. COSTA. Thank you.

Again, I look at it completely differently than you do, but that is fine. Do you have an idea, an estimate of time as to when do you think we will get to that mark?

Mr. TAYLOR. I think that is totally dependent upon the proliferation of wine and spirits licenses and grocery store licenses and how long that takes to get up. So that could be a number of years, maybe sooner, maybe longer, depends on how fast the board can get private licenses up and running.

Mr. P. COSTA. Thank you, Mr. Speaker. On the bill.

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

Mr. P. COSTA. Thank you, Mr. Speaker.

And again, thanks to the chairman for clarifying the one point I had.

One of the provisions of this bill that says while the stores continue to be open, that we have to provide an additional 4-percent discount to the people that are purchasing, the bars, restaurants, and so forth, and possibly the new spirits stores. That is a cost of at least \$15.3 million a year, and while I am all for trying to help small businesses and giving them the discounts, but we are destroying one of our assets even more by

continuing to make them give additional discounts. I have a problem with that part of it.

I also have a problem with that if you have a philosophy that you believe that the State should be out of the liquor business, that is fine. I can understand that. I do not agree, but I can understand it. But if that is the case, why are we giving up an asset, something that we, our Appropriations Committee, is projecting it is going to be at least a \$250 million hit every single year, not counting the job losses that you have heard about, not counting the businesses that will be put out, the family-run businesses that will be shut down? I do not get this. I think we had a better way to do it, and I am very disappointed.

The other thing I had an issue with is that we have never had a hearing on this bill, although we have had hearings on the general concept of privatization. And as a matter of fact, we had several hearings on HB 11. And if you remember, HB 11 was last session's attempt to privatization, and the more hearings we had, the more questions arose, and so many questions arose that the bill never had a chance to get a vote on the floor. This bill comes up and we run it straight without having a single hearing. My concern is we are rushing it through, because the longer this is out, the more people will find out what is wrong with it and will not want us to support this. Again, very uncomfortable with that.

Again, we talked about we are going to put private stores primarily in the urban areas. I am from the Pittsburgh area. For me, that is fine. If you live in a rural area, I am not so sure you are going to get the service that you receive today. If you have a bar or a restaurant there and you need to get product for your business, good luck. If you live in the urban areas, you are going to be okay. Those are some of the questions that I have at this time and some of the concerns I have at this time.

Again, I was concerned about the fiscal impact. This is a major hit that is going to take to our budget, not counting, again, the jobs and the taxes that we receive. And again, I am going to obviously oppose this bill. I was hoping we could work something out yesterday, but that obviously was not the case. So I will ask our members to please vote "no" on this bill. Thank you.

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

On that question, the Speaker recognizes the gentleman from Delaware County, Mr. Killion.

Mr. KILLION. Thank you, Mr. Speaker. I will try to be brief.

First I want to correct the record, and then I will have some comments on the bill.

We have been hearing repeatedly from the other side of the aisle that the transition costs are \$1.4 billion, and they are looking at page 186 of the PFM report. And they are correct that the heading is "Transition Cost Comparison," but they are reading it wrong. What this is, is what the LCB costs us today, \$490 million a year. So they show \$490 million in 2012, \$490 million in '13; it then begins to go down as we get out of the liquor business to \$268 million, then \$85 million, to \$96 million. Those all added together are \$1.4 billion. That is the cost now. So that is not the transition cost. So what we are really doing over that period of time is saving over \$1 billion as we get out of this industry. I can understand where they are coming from because of the heading, but they are incorrect in saying the transition costs are \$1.4 billion. That page, page 186 of the PFM report, is actually indicating that it is over a

\$1 billion savings as we move out of the liquor, wine, and spirits industry. I just wanted that for the record.

And now on the bill. Mr. Speaker, 80 years ago, 80 years ago Prohibition ended, and States quickly rushed to change their laws to sell alcohol within their borders. There are only two States that are still controlled States, Pennsylvania and Utah. And all you need to do to know how antiquated our system is is talk to someone not from Pennsylvania who here is visiting. And he said, you know, it is the NCAA (National Collegiate Athletic Association) finals. I would like to get a six-pack. Okay. You go over there to the local deli, you can get a six-pack, or the local tavern, you can get a six-pack. Well, you know what? I decided I am going to have some friends over. I will just get a case while I am there. Well, no, you are not. You have to go down the street to the beer distributor. Okay. While I am there, I know a couple of them like to drink wine, maybe I will grab a bottle of wine. Well, no, no, cannot do that, cannot do that. You have to drive now down to the State store to get your bottle of wine. It is crazy. It is crazy.

Now, we have grown up with this so we are somewhat used to it, but what does this system mean to our Pennsylvania residents? I heard Representative Adolph talk about the Jersey shore and the southeast, where I am from, the proximity to Delaware. I live 6 miles from the Delaware border, 6 miles; probably about 8 miles, 9 miles from a fine wine, spirits, and beer store. I can tell you, my neighbors do not shop at our State stores. They may stop for a bottle or two, but when they are doing some real purchasing, they are heading to Delaware. And guess what? Because of the laws we have passed in this room and in the Senate, they are committing a crime. Think about that. We are turning our own citizens into criminals because they are looking for better quality, better service, and better pricing.

Talk about the Jersey shore. When our friends and neighbors go to the Jersey shore, they do not stop and buy their liquor on the way. They wait till they cross the Commodore Barry or the Walt Whitman Bridge, and they make sure they stock up on the way home; again, breaking the law. I say it is time to bring those Pennsylvanians back home. End the border bleed. Give them what they want: selection, price, and service.

Vote "yes" on 790. Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Philadelphia County, Mr. Thomas.

Mr. THOMAS. Thank you, Mr. Speaker.

I probably would have preferred to go before the last speaker, but we are here. And the reason I would have preferred to have gone before the speaker is because maybe the speaker would have been able to help me out when I try to bring Pennsylvanians back home from buying cigarettes in Delaware. I say, "I am going to Delaware" all the time. He quit helping me bring them home when I see many of our Pennsylvanians going to Canada for medicine that they should be able to buy in Pennsylvania. I see Pennsylvanians going across the border doing a lot of things, in many cases because they are not able to do it inside of Pennsylvania. So, Mr. Speaker, I rise in opposition to HB 790.

But, Mr. Speaker, let me take care of the bogeyman first. There is a bogeyman that says that we have come to a point in our deliberation on behalf of the people of Pennsylvania that we need to blow up a system that is not broken, that we need to



reform a system that has not been a liability to Pennsylvanians but a real plus to Pennsylvanians.

Mr. Speaker, there is a bogeyman that says that we are going to be able to take in all of this money from speculative business, because unless you have a group of vendors in line today prepared to pay the amount that you are requesting for a license, then you cannot count on predictable income from it.

Unless your vendors are lined up, unless you have a deal that we do not know about, then it is speculative to say that privatization is going to produce something better than what we already have. Mr. Speaker, as old folks used to say, sometimes – before we got these titles and degrees and all of these academics – sometimes you have to put everything in a bag and shake it up. If more good comes out than bad, you stick with it. If it is not broken, stick with it.

Mr. Speaker, the system that is in place in the Commonwealth of Pennsylvania is working, is working. And until that system is broken or operating adversely to the interests of Pennsylvanians, then we have no business to be wasting our time on this. And if we are going to concentrate on it, let us talk about how do you modernize it? How do you work it, reform it, so that it can become better than what it currently is? But there is nothing wrong with it.

And, Mr. Speaker, I wanted to rise to interrogate the maker of the amendment, and I wanted to ask him if he could direct me to where in his bill is there a guarantee for the 4,000-some employees who sat, who applied for a job, satisfied the Civil Service Commission requirements, were selected to work, have worked for years, received good performance ratings, helped to improve the system, and now we are saying that in a very difficult period in the Commonwealth of Pennsylvania and across this country, I want to know where in the bill is there a guarantee for that honest, hardworking man or woman? I was going to ask the speaker to direct me, because as you read the bill, it is difficult if not impossible to find any guarantees for those hardworking people.

They are really the middle class of this great State, and we are saying to them, I did see in the bill where when I throw you out on the street, I am going to give you \$2,000 for higher education. Well, why do you not give me \$2,000 for higher education while I am working and help in raising my family? Somewhere in the bill it says something about, I am going to throw you \$1,000 to get retrained or until you find another job. Where in the bill, if you got \$1,000, because we are talking about some working-class people that do not have access to health care, that are unable to provide the kind of health care that they would like to their babies and their children. So if you got \$1,000 to give out, give it to me so I can take care of that.

Mr. Speaker, the unemployment in Pennsylvania is greater than the national average, and when you get into communities like Pittsburgh, Erie, York, Chester, Philadelphia, the unemployment is greater than not only the national average, but the unemployment in next-door neighboring States. And if I am not mistaken, and I will stand corrected if someone can show it to me, Pennsylvania has the highest structurally underemployed population along the northeastern corridor.

Mr. Speaker, there is transformation going on, but not in a way that helps people who are trapped, who are trapped in systemic poverty in Pennsylvania. Mr. Speaker, I can tell you that Pennsylvania, especially in Philadelphia, has the third highest poverty rate in America. We literally have families dying because they do not have access to a good job, they do

not have access to solid health-care benefits, and they do not have access to a quality education.

Now, Mr. Speaker, where in the bill will this help alleviate that dilemma? Where in the bill, where is there relief for those families? What this bill would do is actually aggravate, aggravate a really troubling economic situation in many of our communities, because this bill would put 4,000, if not more than 5,000, people on the street and tell them to go fend for themselves.

Mr. Speaker, that is not good public policy. That is not a goal that cares about what happens to other people. One writer said one time that if you look at the nature of this bill versus what goes on, it looks like the selfish are putting their foot in the selfless, that this is really about selfish interests rather than the people of Pennsylvania. Somebody has this idea that if I sell the lottery program, that I take over the alcohol business, that we are going to be all right in Pennsylvania. Well, that is not really the case. And so we need to look at the bogeyman for who the bogeyman really is, somebody who has a very narrow interest in what they are trying to label as "transformation," but it has no relationship to what is happening to real people across Pennsylvania. And so people to the north, to the south, to the east, to the west, do not let this bogeyman get away. Make sure that people tell you the truth when they tell you there are 5,000 families going on the street if this becomes law. There are thousands of communities that will be adversely affected by what happens in HB 790 if it becomes law.

Mr. Speaker, there are homes, neighborhoods that will be seriously impacted by what is going to happen in HB 790. I had an amendment that would have allowed communities to have some say-so on where these things go, where these liquor stores go. You know, New Jersey just moved to say that after 10 o'clock, do not sell any alcohol in New Jersey because so many kids were dying, there were so many accidents until they had to do away with selling Taylor's Port or Bacardi Rum at 11, 12, 1 or 2 o'clock in the morning. We do not have any restrictions in this bill about the circumstances under which alcohol will be sold. All we are saying is, you can sell it if you have the right amount of money. You have the right amount of money and you have the right kind of title, then you are going to be able to sell alcohol.

So, Mr. Speaker, this is not the right way. This is not how we represent the best interests of the people of Pennsylvania. Yes, there are some selective people in Pennsylvania that will benefit, but when you put those few next to the masses, then, Mr. Speaker, the masses are losing out. The majority of people in Pennsylvania will be losing out.

Now, I heard somebody say that if you support this, I will give you \$90 million towards public education. You just told me that when the stimulus died, I am not going to put any more money in it. So how can I trust that this is going to result into additional moneys in public education? It is all voodoo. It is voodoo. It is about the bogeyman, and it is about voodoo. The reality is, we do not need to go down this road. There is another way that we can deal with this.

And in closing, let me say to the workers, let me say to the workers, do not leave Pennsylvania yet. This looks bad, but it is not over. Until the Governor puts his signature on it, it is not over. So do not give up. Do not give up. Do not get discouraged. Do not step back. Show up, stand up, stay in there until this is over, and I know we are going to win in the end. Thank you, Mr. Speaker.



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

On that question, the Speaker recognizes the gentleman from Allegheny County, Mr. DeLuca.

Mr. DeLUCA. Thank you, Mr. Speaker.

Mr. Speaker, I am a little confused today. I thought we were talking about milk, butter, eggs – commodities that we actually need to sell to keep our stores in business. The one thing, and I do not think anybody was paying attention to the speaker from Bucks County who made the, in his statements made the case for why we should not be voting for this piece of legislation. We all know about jobs and all that kind of stuff, but one of the things we do not know about is what the consequences are going to be on the social illness of what this bill is going to cost.

Now, we all know the fact is that we all had somebody in our districts, either a friend, a relative, or somebody, who has died in a car accident, who has been harmed from a person who was impaired with alcohol. Now, that is not going to change, but it is going to increase. As you increase consumption, Mr. Speaker, you also are going to increase the accidents that are going to happen. The CDC (Centers for Disease Control and Prevention) estimates that 79,000 people die every year in an accident involving alcohol. Now, let us contrast that to the 6,000 people who lost their lives in 2 wars.

Let us also talk about our young children. You know, I heard about the fact that we want to go out there and we want to go to the store at 9 o'clock and we want to buy a bottle of wine, or we want to go to the supermarket and buy a six-pack. Man, if you need that that bad, you have problems, guy. Let me tell you guys, you have problems; if you cannot find a State store near you, you have a problem.

Let us also talk about what is going to happen. How about the study they did on alcohol, decreased advertising in alcohol? Well, when the States deregulated, let me tell you how much the advertising went up. Total alcohol, it went up 3,078 percent, advertising for alcohol. Beer alone went up 183 percent. And let me say this: Remember, the advertising for these products does not pay a sales tax on the advertising. And why that is exempt, I cannot imagine, because it is certainly not a necessity that they have to be exempt from the 7 percent that we have to pay on a necessity item.

We talk about the supermarkets. I thought this was all about what made this country so great was our small businesses. Well, you know what? We are going to put a lot of our small businesses out of business. How many of you can remember your neighborhoods before you had the giant supermarkets? You had bakery shops. You had flower shops. You had card shops. And who put them out of business? The big chains. What do you think is going to happen when we give these big chains the opportunity to sell the booze?

I understand they are not allowed to use it as loss leaders, but there is nothing to say that I cannot charge 50 cents over the cost and advertise it. What do I care? I have 20,000 items in that supermarket, 20,000 items. And we all know about impulse buying. I hope you know about impulse buying. Once they get you in there, then you buy. That is the free enterprise chain market, and that is psychology, too, which they have learned to advertise and get you into stores.

But let us also talk about these young children watching all this advertising on TV and everyplace else, and they see, they are bombarded with alcohol advertising. You do not think that is going to affect them? You do not think that is going to increase the cost? Now, my good friend from Delaware

mentioned the fact that, let us see, one-time, restricted account of \$1.1 billion for selling these State stores, but he does not mention the fact of what it is going to cost us on the other side. He does not mention the fact that it is probably going to cost us an estimated \$320 million in medical costs when these guys have to go to a hospital for uncompensated care and they have no insurance. He does not mention the fact of \$100 million for property tax damage when you have a drunk driver going into your front yard or going into your building. You do not mention that. He does not mention the fact that approximately \$800 million for lost wages and family destruction and what they have to pay to go to counseling and how many marriages will be broken up and how many children will be with one-parent families. They do not mention that.

Mr. Speaker, the social cost to this Commonwealth; I understand other States do it, but does that mean that they are right and we are wrong? Maybe if they had the opportunity, they would go back to a controlled State. They have not had that opportunity. Two foreign countries are going back to regulating their liquor control business because of the fact of the increase in social illnesses out there. This is not about buying eggs, milk, or some other product; this is about buying alcohol.

We say we want to give the consumers a choice. Do we want to give the consumers a choice when they end up in the hospital or when they have to come out in a wheelchair, or God forbid, they put them 6 feet under, their loved ones? Is that what the people want? I do not believe that is what they want, and I do not believe when they see this bill, that they are going to be in love with this body who votes for it.

I say vote "no" on HB 790. Thank you.

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

On that question, the Speaker recognizes the gentleman from Philadelphia County, Mr. Bill Keller.

Mr. W. KELLER. We need a good electrician in here.

Thank you, Mr. Speaker.

I promise to be brief because I do not believe anything that is said here today will change anybody's mind. This die has been cast. But I will make a prediction here today. What we are doing here today, and everybody said it is bad public policy, we are getting out of the public monopoly of liquor sales. Well, I will make a prediction. No matter how many licenses we give out, no matter how many more stores we open, I will make a prediction that in 5 years we will replace our public monopoly with a private-license monopoly, because as all good businessmen know, big business buys out small business. So in a matter of time, we will again have a monopoly in this business. And the people who know me know that when it comes to jobs, I am there for jobs, any kind of jobs, jobs at the shipyard. I think we should support getting public jobs, I mean getting new jobs with public money. The refineries, I think this body and the administration did a great job in saving those refineries. We needed those jobs. We needed to support them with public money. And if any of us had any kind of factory in our districts that had 4500 good-paying jobs and we were about to lose those jobs, we would do everything to save those jobs. We would be in getting and trying to save those jobs.

Now, I know people are going to say, well, we are going to replace those jobs. We are going to replace those jobs with minimum-wage jobs, no-benefits jobs. And my good friend from Delaware County knows I go to the Jersey shore just as he does. And when you are in those stores, you see nothing but minimum-wage workers with no benefits. Right now today we

have 4500 good jobs, good family-sustaining jobs with good benefits, and today we are going to take the first step in getting rid of those good jobs. But they are not faceless, nameless people we are getting rid of. Turn around and look in the gallery. There are the people that we are getting rid of. That is whose jobs we are taking away. When you push that button, turn around and look at those people—

The SPEAKER. The gentleman will come to order.

Mr. W. KELLER. —when you make that vote.

The SPEAKER. The gentleman will suspend.

I am going to give you one warning in the gallery. This is not my precedent, this is the precedent of the House.

Guests on the floor or in the gallery are not permitted to disrupt the House through demonstration. Previous Speaker K. Leroy Irvis admonished the gallery in a similar fashion, quote, "The Chair does not intend to tolerate disruptive performance either by the gallery visitors or on the floor of this House....," and he goes on. So you have been warned. You are welcome, but we will not have demonstrations.

The question is, shall the bill pass finally?

On that question, the Speaker recognizes the gentleman from Bucks County, Representative DiGirolamo.

Mr. DiGIROLAMO. Thank you, Mr. Speaker.

I rise in opposition to HB 790. Somebody once said, "Here we go again." And I would like to go back to when I first got elected 18 years ago, back in 1995. I was assigned to the Liquor Committee. Governor Ridge had just gotten elected, and soon after he got elected, he gathered the Liquor Committee – and I forget at this point in time who was the chairman; it was either Representative Reinard or Representative Civera – he gathered the Liquor Committee in his conference room on the second floor, and he looked at us and he said, I would like to privatize the State store system. And being a freshman and being scared to death, at one point I looked at him and I said, "Governor, I do not think this is the right thing to do." And the same reasons that I thought it was the wrong thing to do 18 years ago are the same reasons that I think it is the wrong thing to do today, and I would like to outline those reasons for you very briefly.

First, the employees of the State store system. Make no mistake about it: If this bill gets signed into law, they will lose their jobs. Forty-five hundred Pennsylvanians eventually will lose their jobs; not all right away – a slow, painful journey to the unemployment line. And what have they done, what have they done to deserve this? They put in an application for a job. Many of them worked part-time at first until they got the real job and got full-time and benefits. They work hard each and every day for the Commonwealth. They do a good job in the State store system. It turns a profit. And not only the 4500 jobs; 4500 Pennsylvania families are right now watching this debate on pins and needles and they are scared to death, because they know if this bill gets signed into law, they are going to lose their jobs. And I just want to let those people know that I really appreciate their hard work and commitment to the State of Pennsylvania.

The second reason I oppose this bill, I come from a business background. Before I came here to the General Assembly, I was the president of a corporation that had over 50 employees. I made payroll. I grew the business. I paid unemployment. I paid workers' compensation taxes. Someone has to explain to me how this makes good business sense. How does this make good business sense? And quite simply – I am not going to go over all the numbers – you are taking an asset that you own that

makes a profit, and in this instance, I believe it makes over \$100 million a year. You take this asset, sell it for a one-time fee – and I do not know if it is going to be \$1 billion or \$800 million or what it will be – and then you lose that income that it generates every year. How does this make good business sense? And as far as collecting the taxes, our State store system collects over \$400 million worth of taxes each and every year. And my friends, they turn every dollar of the taxes that they collect into the Treasury. Now, is that going to happen if we privatize? I do not know. I will let everybody make that decision on your own.

Next, on the business side, there is a letter out from our beer distributors that they oppose HB 790. They oppose it. Twelve hundred beer distributors in the State of Pennsylvania, small businesses, mom and pop, sons and daughters, ten to twelve thousand employees in the State in the beer distributors. I heard it said that if this bill gets enacted and signed into law, that possibly half of them are going to be put out of business – half of our beer distributors. If I calculate that, 200 districts, 1200 beer distributors, that is probably 6 or 7 beer distributors in each one of our districts, and half of them potentially could be put out of business. Why are we doing this to them?

And the third reason, and the one that I am really going to concentrate on, is the increased access to alcohol. That is something I think that I know a little bit about because I spent my 18 years here in the House of Representatives really working on issues that deal with abuse and addiction. I am going to tell you something right now, and nobody can dispute this fact: Alcohol – and listen to me closely – alcohol, by far, is still the number one abused drug in this country and this State. And I am going to say it again. Listen to me. Alcohol, by far, is still the number one abused drug in this State of Pennsylvania. And another indisputable fact: Wherever you have increased access, you have increased consumption, and with increased consumption, you have increased abuse, addiction, violence, crime, domestic violence, accidents, and deaths. You cannot dispute those facts.

And I would like to bring up a couple reports and studies that go right to the heart of that statement. And they have been mentioned before here today, but I am going to mention them again. The Centers for Disease Control, they did a report on privatization, and here is their summary, just a couple of sentences: "Based on its charge to identify effective disease and injury prevention measures, the Task Force...recommends against the further privatization of alcohol sales in settings with current government control of retail sales." The finding is "...based on strong evidence that privatization results in increased per capita alcohol consumption, a well-established proxy for excessive consumption."

A second report from the Marin Institute, which is a well-respected institute that studies alcohol in all the States, their recommendation on privatization from 2012: "Maintaining state monopolies over alcohol sales helps lower alcohol outlet density, overall consumption, underage drinking, and deaths from drunk driving. A state considering changing its monopoly system to a privatized one must seriously consider the increased consumption and alcohol-related harm that will likely follow."

The letters that you all got from the groups and organizations that are opposed, they have been mentioned before. I would just like to briefly mention them. Mothers Against Drunk Driving – Mothers Against Drunk Driving – opposed to HB 790. The Commonwealth Prevention Alliance, opposed to HB 790.

Pennsylvanians Concerned About Alcohol Problems, opposed to HB 790. DASPOP (Drug and Alcohol Service Providers Organization of Pennsylvania), DASPOP, which represents almost all the treatment, drug and alcohol treatment facilities across the State of Pennsylvania – there are 600 licensed facilities – opposed to HB 790. The Pennsylvania Community Providers Association, 200 providers that do mental health and drug and alcohol, over 50,000 employees, opposed to HB 790.

I did a little research. I went back and looked on the Internet. The State of Washington was the last State that privatized, just last year, I believe. I went on the Internet and I looked up some of the headlines in the local newspapers around the State, and I would like to share just the headlines with you a little bit. From the State of Washington: "Private retailers seeing more thefts of liquor bottles." "Liquor boosting much worse than first reported." And I did not cherry-pick these headlines; I looked for ones that were positive and could not find any. "Stores seeing huge spike in liquor thefts." "Retail crime rings selling stolen booze to restaurants, bars." "Teen shoplifting" – boy, there you go – "Teen shoplifting, liquor a bad mix since voters approved..." privatization. "Shoplifting incidents rise with liquor privatization." "Three Pullman businesses busted for selling alcohol to minors." Washington "Stores selling liquor try to get a handle on shoplifters." "Who is to blame for Washington's failed privatization plan?"

Mr. Speaker, those of you who have been in law enforcement, and I know there are many of you here in the General Assembly on both sides of the aisle, how could you ever be in favor of privatization and HB 790? You have seen firsthand the destruction, the crime, the domestic violence that alcohol abuse creates. They have been spoken about before; I want to bring them up again. The Fraternal Order of Police, over 40,000 active and retired Pennsylvania police officers, opposes HB 790. The Pennsylvania Chiefs of Police Association opposes HB 790. The Pennsylvania Professional Fire Fighters Association opposes HB 790. To me, to me, Mr. Speaker, it is crystal clear. It is crystal clear.

Going back to 1995, I was very lucky and fortunate enough to serve with a gentleman from Delaware County who was the Speaker of the House, Mr. Matt Ryan. I will tell you what, Matt was a really, really special guy. He was quite a guy. There were 12 of us on the Republican side; I think there are only 3 of us left now, Sandy and Julie. I know there were 12 on the Democrat side that came in with my class in 1995. And one of the first times I went out to dinner up here in Harrisburg, Matt Ryan took us out, and we went over, some of you will remember the Maverick, and I was sitting next to a gentleman by the name of Roger Nick, who would never leave Matt's side. Roger was a great guy. Matt gave me a little advice that dinner, as he told the rest of the members of the Republican Caucus, the freshman members, he said that whenever you put up a vote, especially a vote that is as difficult and controversial as the vote that we are putting up today, you have to balance three things. And those three things are: you balance your caucus, you balance your constituents, and you balance your conscience. Those are the three things you balance. And if you look at this issue, talking to the members on my side of the aisle, you know what our caucus position is, a very strong pro-790. Your constituents, and I talked to my constituents, and I would bet it is same for most people in their districts, they think the price of alcohol is going to come way down if we do this, and I do not

think that is going to be the case. So I am just going to say your constituents are probably split on this issue. But this is a vote that you have to rely on your conscience most of all.

And I know there are members on my side of the aisle, particularly, that really struggled and agonized over this vote; they struggled and agonized, I know they did. And I want to let you know, whether you are from Bucks County or Berks County or Lancaster County or wherever you are from, it is okay to be "no" on this bill. It is okay to follow your conscience if your conscience tells you that the increase in the access to alcohol here in Pennsylvania is not going to be good – and it is not going to be good. It is okay if you were "no" last week and "no" over the weekend and "no" on Monday, if you changed your mind for some reason on Tuesday or Wednesday, it is okay to change back and vote "no" on this.

Mr. Speaker, I am very passionate about this, I really am. I have seen the devastation and destruction that alcohol abuse and drug abuse can do. I have had it in my own family. I have been very open about my son's addiction. I just think this is the wrong thing to do for the State of Pennsylvania.

### MOTION TO RECOMMIT

Mr. DiGIROLAMO. And with that, Mr. Speaker, I would like to be recognized to make a motion.

The SPEAKER. The gentleman is in order and may state his motion.

Mr. DiGIROLAMO. Mr. Speaker, for all the reasons I just explained, I move to refer HB 790 to the Human Services Committee.

The SPEAKER. The gentleman from Bucks County, Mr. DiGirolamo, has moved that HB 790 be referred to the Human Services Committee.

On the question,

Will the House agree to the motion?

The SPEAKER. On that question, the Speaker recognizes the gentleman from Philadelphia County, Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Speaker.

I understand the gentleman's passion about alcohol abuse, and I think many of us in this chamber share that concern across the board whether we implement a new system or we do not. And, you know, the amount of time that our members put on this issue, do not think that I am not somewhat interested in it going to another committee in some respects, but this has been our challenge and our obligation, and our members worked very hard on this, so we have a unique viewpoint on the amount of time we spent, and I would oppose the motion.

The SPEAKER. On the motion to recommit, the Speaker recognizes the gentleman from Allegheny County, Mr. Dermody.

Mr. DERMODY. Thank you, Mr. Speaker.

Mr. Speaker, this afternoon we have heard from several members as to why this bill is a bad bill, why we should vote "no" on this bill, and we have just heard a very eloquent explanation from the gentleman from Bucks as to why this bill should be rereferred back to the Human Services Committee. And I would urge all members of this House to follow his lead and recommit this bill back to the Human Services Committee.

Thank you, Mr. Speaker.



The SPEAKER. On the motion to recommit, the Speaker recognizes the gentleman from Allegheny County, Mr. Turzai.

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

I rise to oppose the motion to recommit to Human Services, of which the maker is, I believe, the chair of that particular committee.

This legislation has been debated and discussed for well over 2 years. The House Liquor Control Committee held four public hearings on the issue last session. The Democratic Policy Committee held five hearings last year and a hearing this year. Every newspaper in the State has published multiple endorsements of legislation with respect to this particular underlying legislation. And poll after poll has shown that constituents strongly favor moving the sale of wine and spirits out of government control.

I would please ask for a "no" vote on the motion to recommit.

The SPEAKER. On the motion to recommit, the Speaker recognizes the gentleman from Allegheny County, Mr. Frankel.

Mr. FRANKEL. Thank you, Mr. Speaker.

I support the motion to recommit. And contrary to the majority leader's comment that this has been around for 2 years, this amendment has been around for 3 days. This amendment has not seen the light of day, and enough questions have been raised in today's debate that it should be recommitted so that it could have a proper consideration in committee, the way we should be doing things: deliberately.

We are supposed to consider legislation in a slow process to understand all the consequences. We heard about all kinds of consequences today, whether they are fiscal, whether they are social, whether they are for the quality of life that we have in our Commonwealth, whether the quality of life for our citizens whose jobs are at stake.

We have not had the opportunity to consider this extraordinarily comprehensive, complicated, convoluted piece of legislation that so many questions have been articulated here today on the floor that need to be answered. This must be recommitted so that the citizens of Pennsylvania, and we ourselves as their Representatives, can be adequately informed about all the consequences contained in this amendment that has seen the light of day for 3 days.

Thank you, Mr. Speaker.

The SPEAKER. On the motion to recommit, the Speaker recognizes the gentleman from Allegheny County, Mr. Paul Costa.

Mr. P. COSTA. Thank you, Mr. Speaker.

I always believed that this bill did belong in the Liquor Committee, but as the previous speaker said, unfortunately we have not had hearings on this particular bill or even this particular amendment. The majority speaker had said that we had hearings last session. That is correct. We had those on HB 11. And as I said before, the more information that was released about HB 11, the more people were not in favor of voting it. As a matter of fact, it never even came up for a vote because it could not garner enough support.

If this motion to recommit gives us the ability to have hearings on this bill, then I am all for it. So thank you.

The SPEAKER. On the motion to recommit, the Speaker recognizes the gentleman from Allegheny County, Mr. Dermody.

Mr. DERMODY. Thank you, Mr. Speaker.

Mr. Speaker, we have heard several good reasons why this bill should be recommitted. We also should keep in mind that many of the members here are new. They have not been around for any of the debate on the previous legislation that does not resemble this legislation in any way. We have 30 new members here this year. Every member in this House deserves the right to hear this, to have this bill heard. It should be vetted, and it should be properly discussed before there is a vote on the floor of the House. Every member should have that opportunity, not just the ones who have been here for years and years. Thirty new members deserve the opportunity to properly vet this bill. That is why it should be rereferred.

Thank you, Mr. Speaker.

The SPEAKER. On the motion, the Speaker recognizes the gentleman from Bucks County, Mr. DiGirolamo.

Mr. DIGIROLAMO. Thank you, Mr. Speaker.

Just real quickly, I would just ask the members on this issue to follow your conscience on this. I just think it is the wrong thing to do for Pennsylvania, and to vote "yes" on the motion. Thank you.

The SPEAKER. On the motion to recommit, the Speaker recognizes the gentleman from Philadelphia County, Mr. Cruz.

Mr. CRUZ. Mr. Speaker, I just rise to support the chairman of the Human Services. As the minority chair, I also support his decision on recommitting this.

Thank you, Mr. Speaker.

The SPEAKER. On the motion to recommit, those in favor of the motion to recommit HB 790 to the Human Services Committee will vote "aye"; those opposed to the motion will vote "no."

On the question recurring,

Will the House agree to the motion?

The following roll call was recorded:

#### YEAS—87

Barbin	DeLissio	Keller, W.	Painter
Bishop	DeLuca	Kim	Parker
Bizzarro	Dermody	Kinsey	Pashinski
Boyle, B.	DiGirolamo	Kirkland	Petrarca
Boyle, K.	Donatucci	Kortz	Ravenstahl
Bradford	Evans	Kotik	Readshaw
Briggs	Fabrizio	Kula	Roebuck
Brown, V.	Farina	Longietti	Rozzi
Brownlee	Flynn	Mahoney	Sabatina
Burns	Frankel	Markosek	Sainato
Caltagirone	Freeman	Matzie	Samuelson
Carroll	Gainey	McCarter	Santarsiero
Clay	Galloway	McGeehan	Schlossberg
Clymer	Gergely	McNeill	Snyder
Cohen	Gibbons	Mirabito	Sturla
Conklin	Goodman	Miranda	Thomas
Costa, P.	Haggerty	Molchany	Vitali
Cruz	Hanna	Mullery	Waters
Daley, M.	Harhai	Mundy	Wheatley
Daley, P.	Harkins	Neilson	White
Dean	Harris, J.	Neuman	Youngblood
Deasy	Kavulich	O'Brien	

#### NAYS—108

Adolph	Gabler	Lucas	Rapp
Aument	Gillen	Mackenzie	Reed
Baker	Gillespie	Maher	Reese



Barrar	Gingrich	Major	Regan
Benninghoff	Godshall	Maloney	Roae
Bloom	Greiner	Marshall	Rock
Boback	Grell	Marsico	Ross
Brooks	Grove	Masser	Saccone
Brown, R.	Hackett	McGinnis	Sankey
Causar	Hahn	Mentzer	Saylor
Christiana	Harhart	Metcalfe	Scavello
Corbin	Harper	Metzgar	Simmons
Cox	Harris, A.	Micozzie	Smith
Culver	Heffley	Millard	Sonney
Cutler	Helm	Miller	Stephens
Day	Hennessey	Milne	Stern
Delozier	Hess	Moul	Stevenson
Denlinger	Hickernell	Murt	Swanger
Dunbar	James	Mustio	Tallman
Ellis	Kampf	O'Neill	Taylor
Emrick	Kauffman	Oberlander	Tobash
English	Keller, F.	Payne	Toepel
Evankovich	Keller, M.K.	Peifer	Toohil
Everett	Killion	Petri	Truitt
Farry	Knowles	Pickett	Turzai
Fee	Krieger	Pyle	Vereb
Fleck	Lawrence	Quinn	Watson

NOT VOTING—0

EXCUSED—6

Costa, D.	Davis	Miccarelli	Sims
Davidson	Haluska		

Less than the majority having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

On the question recurring,  
Shall the bill pass finally?

The SPEAKER. On that question, the Speaker recognizes the gentleman from Mercer County, Mr. Longietti.

Mr. LONGIETTI. Thank you, Mr. Speaker.

Mr. Speaker, I rise in opposition to HB 790 because it is a bad deal for the people of my legislative district and a bad deal for the Commonwealth as a whole, I believe. This proposal will end up costing my constituents more money when they purchase wine and liquor. In fact, the Governor's own consultant, when they analyzed his proposals to privatize wine and liquor, determined that prices would rise in northwestern Pennsylvania.

It makes perfect sense to me, because when you look at our current scenario, Pennsylvania is the largest, the largest purchaser of wine and spirits in the world. We get a great volume discount, and that volume discount leads to lower pricing in Pennsylvania for wine and liquor. In fact, my local newspaper, approximately a month or two ago, did a front-page story on the sale of wine and liquor in Pennsylvania, and they had a big picture, and the picture was a gentleman standing at the checkout line at the Hermitage wine and spirits store. And under the caption it identified the gentleman's name, and it showed that he was from Ohio. My district borders the State of Ohio. And so you can see, just even in that random occurrence, folks from Ohio, where they could buy their wine in places other than a wine and spirits store, are coming over to Pennsylvania. They are coming over to my district to purchase their wine and liquor because they are getting a better price. So

I think this is a bad proposal for Pennsylvania because it will result in consumers paying a higher price.

I think it will also result in less selection in many parts of Pennsylvania, particularly small towns like the communities that I represent. Currently we have three wine and spirits stores in my legislative district, one of which I just mentioned is located in Hermitage. It is a rather large store. It has a great selection of both wine and spirits for people to peruse and to purchase. But in a private system in a small town like mine, it is likely that a private retailer will carry a much smaller selection. Our local store is supported by the broad system. We have wine and spirits stores in Pennsylvania currently that make a profit and some that do not do so well, but the broader system supports them all so that communities like mine can have a store like the store that we have in Hermitage that has a great selection.

The private retailer is motivated by the profit motive, and so they are going to carry a more limited selection in communities like mine. They are going to carry the most popular brands and brands that make them the most profit. So I think my consumers once again lose if we adopt this legislation.

Let us talk about beer for a moment. The way beer works in Pennsylvania currently, you have beer distributors, and then you have some grocery stores that have found an exception, that the Supreme Court has blessed, where they obtain a license from an existing restaurant or bar, that that facility sells them a liquor license. And they establish an area in the grocery store that has to have a certain number of tables and seats and they can sell beer to go just like a bar does, up to two six-packs. So in my area we have the Giant Eagle in Hermitage that has that availability of beer.

If this bill is adopted, contrary to what perhaps a certain form e-mail that is out there that talks about beer reform, contrary to what it states, it is really not going to change a whole lot in communities like mine. Sure, it would get rid of the current prohibition for a place like a convenience store to sell gasoline and beer at the same time, but that convenience store still has to find an existing restaurant license to acquire, still has to have the designated seating areas with tables and chairs.

In my area those licenses are not prevalent to go out and buy. They are already owned by existing restaurants and bars. This legislation does nothing to increase the number of those licenses. There are no more additional licenses created, so things really are not going to change in a place like Mercer County. You have got the Giant Eagle that after several years was finally able to acquire a restaurant license, but beyond that, there really are not licenses out there to be had. Even if there is a license to be had, what does that do to our community? That is another locally owned restaurant bar that goes out of business, and somebody else cannot start up that business because there are no liquor licenses available to them in the marketplace. And so, you know, here we have it: This really is not going to do a whole lot in regard to beer.

In my beer distributors – we had an article in the newspaper yesterday, and they are really not very enthusiastic about this bill. Granted, it would give them the ability on paper to purchase a license and to offer wine and spirits if they could afford it, if they can afford the cost of the license. But think about how they are set up; that is not their only cost. Almost all of my beer distributors in my community are set up as drive-throughs. You drive into the garage, you order a case of

beer, they put it in the trunk, and you drive out. That is not going to be really conducive to them, to operating a wine and spirits operation. People like to come in, spend some time, look over the selection, look over the pricing, see what they want. You really cannot do that in a garage with another car sitting behind you waiting to be served.

So they know, they know that even if they could, even if they could afford the price to purchase a license, they are really not set up to go into that business. It would cost them money to redevelop their property. It would probably cost them money to move their location. Many of them are not in the location that you would necessarily set up for a wine and liquor operation. So no wonder when I read the newspaper, one of my beer distributors said, quote, "...I don't think at this time it's a good idea to get rid of the liquor stores." So clearly he is not interested in expanding his operation because he knows it is not feasible. And he also indicated that it would likely drive out smaller distributors like him, it would drive them out of business.

Now, I do have a master distributor in my area, and you would think, well, maybe they would be interested. Well, the owner of the master distributor said, "I like it the way it is," and he went on to say, "The way you increase sales is to get more people back to work here." So he does not see this as increasing sales. He does not see this as something that he is interested in.

So my final point is, it is not good for the consumer because prices are going to go up in my region. It is not good for the consumer because they are going to have less selection than they currently have available to them. It is not good to the beer consumer because, as you can see, not a whole lot is going to change in communities like ours. And it is not good to the taxpayer because we are going to lose revenue. We have heard talk about this. We know that the current system pays for itself and produces a significant profit. That profit is somewhere in the neighborhood of \$100 million a year.

So now we are going to unwind this system, and we are going to lose that profit, that \$100 million a year. And as has been said, when we unwind the whole thing, when it is all phased in, when you get rid of the profit, when you get rid of other revenue generators, it is likely to cause us a loss of about \$250 million a year. And so now taxpayers say, well, what did I get out of this? We lost revenue. We did not get lower prices. We did not get better selection. We did not get a better availability of beer. All we did was lose money through this proposal.

So, Mr. Speaker, I conclude with that this is not a net gain by any means. This is a net loss for the residents of my legislative district and I believe for the residents of Pennsylvania as a whole. This is a flawed piece of legislation that has been cobbled together. It has been changed many times. The end result is that it is a loser. So, Mr. Speaker, I encourage a "no" vote on this bill. Thank you.

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

On that question, the Speaker recognizes the gentleman from Beaver County, Mr. Christiana.

Mr. CHRISTIANA. Thank you, Mr. Speaker.

Mr. Speaker, we have heard all kinds of excuses, a lot of distractions. We have seen many shiny objects to distract us from HB 790 and what it actually does. We have heard all kinds of excuses why we should not get out of the booze business. Some of those distractions have been labeled as "health-care costs," "pension costs," "violence," "purchase power,"

"increased crime"; some really interesting buzzwords like "cracker plants" and "refineries." But the underlying bill is about getting Pennsylvania out of the liquor business, a business that only two States in the country, Pennsylvania and Utah, have a complete monopoly. We have heard excuses like revenue loss. Mr. Speaker, this \$2 billion industry we keep hearing about pays zero dollars in business taxes – zero – under the current system. Mr. Speaker, under HB 790, almost all of the revenue, almost all of that \$2 billion will be generating business taxes.

We talked about job loss. Mr. Speaker, there are 600 establishments in Pennsylvania that sell wine and spirits. This bill moves it to 2600 establishments. We know there will be increased sales; it is inevitable. And the reason it is inevitable is because of the border bleed we have heard so much about, people going to other States for choice, convenience, lower prices, lots of reasons, to buy wine and spirits. We know there will be increased sales because the current system is inadequate. The Liquor Control Board testified to the Appropriations Committee not too long ago that the system needs changed to increase sales, to increase revenue. The minority party yesterday tried to pass an amendment because the system is inadequate. They wanted to raise convenience. They wanted to raise sales. They wanted to raise revenue, because the system is inadequate.

We even heard this morning in Appropriations that we cannot give the consumers what they want because of pension costs. Four thousand people will not be paying into the pension system, and the pension system is broke. I am glad to know that the minority party admits that we have a pension crisis. I am glad that the minority party wants to find ways to help solve the pension. The majority party is looking forward to having that debate, but that should not stand in the way of giving consumers what they want.

And let us look at the numbers. Today we have heard 4,000, 4500 people. No; the true complement to the Liquor Control Board is 3,277 people. That is with 226 current vacancies. That is with 431 part-time employees that do not pay into the pension system already. This represents less than 2 percent of the over 100,000 people that are paying into the current pension system.

Let us not stop in the way of getting consumers what they want because of 2 percent of the people that pay into the pension system. Let us get back to what Pennsylvanians want. Pennsylvania wants and deserves choice and convenience. Let us give it to them. Pennsylvanians want to have the General Assembly deliver for them, not special interests. Let us do it. Pennsylvanians want and deserve for us to make historic decisions for them. Let us do it.

Mr. Speaker, this is long overdue. This has been vetted for a long time. I support the passage of HB 790 so we can give Pennsylvanians what they have wanted and demanded. Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Luzerne County, Mr. Pashinski.

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

Mr. Speaker, I rise to oppose HB 790 because this bill is bad for the people of Pennsylvania. It is a bad idea, and it has not been fully vetted.

Mr. Speaker, many years ago our government, the people's government, totally understood the dangers of alcohol and developed a system that needed to be controlled and responsible, a system that recognized that alcohol is a lethal and

dangerous product. It is a drug, a drug that needs constant vigilance from the production side to the distribution, and ultimately, to the sale of this product. We are not selling milk and eggs. We are selling a lethal product.

Yes, the present system has been in place for decades and it has worked for decades. The statistics demonstrate a responsible and well-controlled operation, and with some updating and modernization, our present system will continue to serve the people of Pennsylvania very well. But HB 790, the Governor's scheme, sets in place the foundation for past practices of chicanery and subterfuge.

HB 790 will allow the rich and powerful to gobble up the mom-and-pop businesses, eliminate those 5,000 liquor system control workers and the 10,000-plus families, those workers in those small businesses. The consumer will end up paying higher prices. Every State that has privatized has demonstrated that and the consumer will end up the loser. The profits will go to the big boys. The people's money will make the CEOs (chief executive officers) richer and the average Pennsylvanian poorer. But I guess that is part of the plan. Let us eliminate one more union job, reduce the quality of life for thousands of displaced workers, and reduce the middle class. So I guess it does not matter that the unemployment rate in the country has reached 7.7 percent in the country, yet here in Pennsylvania we have reached 8.2 percent. Now, how can that be? We have given billions of dollars in tax breaks to the big business. We are considered the Saudi Arabia of gas, and still we have a higher unemployment rate than the entire country.

Mr. Speaker, 2 1/2 years and this legislature has not even presented let alone passed one jobs bill, but in 2 1/2 years this administration has dismantled the living-wage, middle-class job. Nearly 20,000 jobs in education – done. Ten thousand more in State and county jobs – done. Now thousands—

Mr. TURZAI. Point of order, Mr. Speaker.

Mr. PASHINSKI. —of jobs from the liquor system chopped back – done.

Mr. TURZAI. Point of order, Mr. Speaker.

Mr. PASHINSKI. A potential of 10,000 to 15,000 jobs eliminated in business – done. Four thousand more families scrambling, trying to find a way to pay for their bills; 4,000 people trying to find a way to feed their families, keep their lives together. Thousands of people, thousands of jobs gone.

Easy to say, very easy to say thousands of jobs gone, losing your job. If you have your job, there is no pain, there is no suffering, no anxiety. You have got your job; you have got your benefits. Your family is safe and secure. That is terrific, but if you vote for HB 790, the Governor's scheme to privatize, you are voting to put thousands of more middle-class, living-wage earners out of their houses and into the streets, forcing these people, these workers now, these Pennsylvanians to seek human services – a double whammy. I thought our job was to help the people of PA, not put them in harm's way.

HB 790 has so many dangerous, questionable provisions. That is why it was not vetted properly. How, how could we be in favor of being able to buy gasoline and booze in the same place? How could we let 790 allow you to buy booze through a drive-through? How good is that when the driver might be 21, but you cannot tell whether he is sober or not or she is sober, and you do not know the age of those kids in that car?

But how about this one? HB 790 allows the State, our Department of Revenue, to provide financial backing for 4 years to distributors to be able to purchase the license. How nice. We are now in the banking business. But I want to remind this legislature of a very important thing: Back in September of 2011 when Pennsylvania was hit with two converging storms, Storm Lee and Storm Irene, which caused hundreds of millions of dollars in damage and untold pain and suffering to the citizens, our citizens of Pennsylvania, several of my colleagues and I drafted several pieces of legislation to address the suffering of our constituents. One of those bills requested our government to offer 1 percent loans to any citizen of PA that was approved by FEMA (Federal Emergency Management Agency)—

Mr. TURZAI. Point of order, Mr. Speaker.

The SPEAKER. The gentleman will suspend.

### POINT OF ORDER

The SPEAKER. For what purpose does the gentleman, Mr. Turzai, rise?

Mr. TURZAI. Sir, this is far afield from the underlying legislation.

The SPEAKER. The Speaker thanks the gentleman.

I would ask the gentleman, Mr. Pashinski, to focus his remarks to the substance of the bill that is before us.

Mr. PASHINSKI. Thank you, Mr. Speaker.

I certainly respect that, and I am trying to draw a comparison between the fact that the PA State government Department of Revenue is willing to back the liquor system, is willing to back distributors for 4 years to purchase a license to sell booze, and I am demonstrating an actual fact that occurred. When we requested the same consideration given to those people who were flooded throughout all of Pennsylvania, we were denied by the leader of the House and the Governor. The Governor said no to help the people who suffered from the flooding, but the Governor, and obviously the legislature, is saying yes to buying booze. So the State will support the loan to buy booze, but it will not support the loan to help the people of Pennsylvania. That was the point, Mr. Speaker. Frankly, it just does not make any sense. Why, again, would we not want to help our people, the people we represent?

HB 790 privatizes our liquor system. It is a bad idea. It is like another bad idea: trying to privatize our nationally acclaimed and PA citizen-owned lottery system. Giving the success story, our success story, to a foreign entity is another bad idea.

So I want everybody in this House to remember, voting for 790 is a bad idea. It is a bad idea to privatize our liquor control system. It is a bad idea not just because it is a bad idea, but you are putting thousands of Pennsylvania citizens out of a job. You are voting to put your constituents out of work. This is a very, very bad idea. I pity the day, and the day will come, when those of you who vote for 790 will have to face these people in the eye. That day you will regret when you meet those people that you put out of work.

Please vote "no" on HB 790. Thank you.

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

On that question, the Speaker recognizes the gentleman from Centre County, Mr. Conklin.



Mr. CONKLIN. I want to thank the Speaker.

You know, a lot has been said today and a lot has been repeated, and I have realized with the one gentleman's referral that I will not be speaking to this wonderful chamber today, but I think what I am going to do instead is take this time to speak to the citizens of Pennsylvania.

You see, this bill is based on assuming. I love assumption. You see, my dad taught me a lesson when I was real young: You assume in this hand and you do something else in the other hand. See, assumption is that we have our wonderful Governor, which I understand this is his bill, but the Governor could not have read this bill, to my folks that are listening, because the Governor just spent 2 days ago with the youth of America, the Future Farmers of America. He said, you know what? I have got \$1 billion for education for you just as soon as we pass this bill. I just sat with the farmers of Pennsylvania. You know, the Governor sat down there and he stood in front of them and said, we are going to privatize this. We have got \$1 billion for education. I saw him on a press conference. We have got \$1 billion for education. Well, Mr. Speaker, listen to me. I asked in Appropriations a few hours ago, I said, "Tell me about this billion-dollar assumption you have." There is no billion dollars for education in this bill. There is no billion dollars for education. It goes to a separate fund. It could be used for whatever, maybe to back the old budget that is going to come up short with all of his assumptions.

You know, as we go down through this, we look and we talk about the things that are happening. I hear about corporations. We are going to pay corporate tax; yes, we are going to get corporate tax. Well, the problem is, what I understand is most of the box stores that are going to buy up this – and please forgive me if I am wrong. You can get up behind me and tell me of another box chain that is going to come into Pennsylvania when this is all said and done and get one of these liquor licenses. They are already in Pennsylvania. And listen, Pennsylvanians, they do not pay Pennsylvania tax, so for them to stand up and say we are assuming and we are going to take the assumption that we have got Pennsylvania taxes coming in with more corporate tax, there is this thing called combined reporting. They do not pay corporation taxes. So let us get that off the table.

You know, it has been talked about a little bit, Mr. Speaker, that do not listen to these reports that are coming out. In fact, just a little bit ago in Appropriations – because that is a nice committee; good chairmen on both sides of the board. They are good people. They try to do their best. I brought up a Canadian study that showed that when it privatized, just as has been brought out – increased abuse, more domestic abuse, more rapes, more thefts, more stealing. My good friend, the head of Liquor, quickly came up and told me about Washington State. Now, I probably do not have to repeat Washington State as using it to model, but I will one more time only because maybe somebody did not listen. Evidently, they are not, because I keep getting these e-mails that they are promised free booze and cheap booze and lots of booze, but the truth is, the study showed liquor went up. In fact, those who live on the State line, they talk about people are going over to Delaware to buy their booze. Well, Mr. Speaker, when you use Washington State as your model, you better talk to Washington State, because according to them, people are leaving to go to Oregon to get their booze because the price of booze in Washington State went up.

Let us talk about business. You know, we talk about 2,627 more outlets. Whew, I am going to tell you what. The Christian movement is all on this one. We get more booze in every neighborhood. You cannot beat this. I mean, this is great. This is what we talk about on Sundays when we do our prayers. We say, please, please let there be 2,627 more outlets.

But, sadly enough – I hate to bring up the Washington study again since that was brought up as the template that we are trying to be – small businesses are going out of business. Can you believe that? Small businesses in Washington State going out of business? Why? Because they cannot compete with the big-box stores, who, by the way, in Pennsylvania do not pay corporate tax, just in case anybody missed that. They do not pay it. A couple of them do and, again, those that do, please stand up and correct me. I love to be corrected, especially when it is good stuff.

You know, a good friend of mine from the 49th District up in Erie pointed out to me very closely some of the bad things. The Senator up there pointed it out, telling me how bad this bill was.

You know, when I think about this, it reminds me of some places I love in Pennsylvania. For instance, Gobbler's Knob. You see, Gobbler's Knob thinks so much of alcohol and the destruction of it, you cannot get booze anymore up on Gobbler's Knob. In fact, I have got to be careful as I say this, because one of the greatest heroes in the country and probably the world is somebody that I respect, a hero of mine by the name of Punxsutawney Phil. Punxsutawney Phil wanted an early spring because he knew the people of Pennsylvania asked for an early spring. So Punxsutawney Phil said, guess what? I have got a lot of pressure from my consultants because the National Weather Service was saying beforehand that the weather patterns had changed. We are going to have an early spring. The people of Pennsylvania are tired of winter. So you know what? We want an early spring. We are asking you, Punxsutawney Phil, for an early spring. Guess what? No early spring, but what do we get in exchange? Higher fuel costs, more snow, more municipal costs, more people left out in the cold. You know, this bill is a lot like that.

And as I am closing, I want to bring up just two more points for you. The majority of us are in business in here. We buy things because it makes money. See, Pennsylvania – Pennsylvanians, listen to me – two things make money in Pennsylvania: the liquor stores that we control because you, Pennsylvanians, get hundreds of millions of dollars to help fund everything that we need, and the lottery system. Businesses want to make money. It would be almost like going to GM (General Motors) and saying, you know what, GM? Sell off Chevy. You make too much profit with Chevy. You can do better somewhere else. See, business only wants this because it makes money. It is a bad deal for Pennsylvania.

And, you know, the pension system has been brought up. Do you realize, Pennsylvanians – I want the people of Pennsylvania to listen – do you realize, a couple administrations ago if we would not have known better – and listen and please forgive me. I know you dealt with— And again, before I bring this up, you see, we deal with what we believe at the time, and I believe in 2001 when the pension was changed, people believed certain things because they believed in the future it was going to happen. But, Pennsylvanians, listen up. We are heading down a bad slippery slope. You see, in 2001-2002, since the pension has been brought up on both sides, if they would not have made



the decisions they made then, the pension system would be solvent today. It was politicians in Pennsylvania that caused the problem that we have to deal with today. It is going to be politicians in Pennsylvania that are going to cause the problem of more alcohol abuse.

You know what? We do not have enough State troopers, but we want them. This does not increase the complement. Just let me go back to that real fast. We are talking about, in this bill, how State troopers are going to oversee this, but this bill does not address increasing the troopers. They assume that people will be okay.

Well, you know what? No more for assumption. Let us just state the facts the way they are. You have got to choose who you stand with in life. Life is never easy. You choose who you stand with, and on this vote, do you stand with the working people that are making good wages? Do you stand with families that are having alcohol and abuse problems in their homes and try to say, no, we are not going to increase it? Do you stand with small businesses that are calling us and saying, no, you are going to close me down? Do you stand with the police who say this is a bad bill? Do you stand with the clergy who say this is a bad bill? Or do you stand with big corporations? Well, you know, I know who I stand with. I stand with the people that work every day.

And just like the Governor just recently brought up again, I am not going to treat this like the old ultrasound bill and close my eyes and look away. I am going to fight this till the end, because these are Pennsylvania dollars. Recant what I am saying, because you cannot, because you are assuming it is right, and I am going to tell you the facts are it is wrong for Pennsylvania. It is wrong for today, and it is going to be devastating tomorrow.

Thank you, Mr. Speaker, and God bless.

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

On that question, the Speaker recognizes the gentleman from Philadelphia County, Mr. Cohen.

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, we have heard some excellent argumentation from the Democratic side, and I hope it is persuasive.

I would like to add some things that have not been talked about very much. On the opposition side we keep hearing about what the people are demanding. I think we have to start clarifying who the people are. We have to start focusing on the fact that 34 percent of the people in the country – and I assume the figures are similar or probably slightly higher for Pennsylvania – 34 percent of the people do not drink. I have not heard any word about them from the people who are advocating this bill. And of the 66 percent nationally that do drink, beer is the most popular drink by far, so that only 38 percent of a recent national sample preferred wine or hard liquor, which is what the State liquor stores sell. So what we are doing when we talk about the people who are somehow dissatisfied with the State liquor stores, we are talking about 38 percent of the population at most, and I think we have to start focusing on the people who do not drink and why they do not drink and why they do not drink hard liquor if they do drink.

Alcoholism, as we have heard at great length here, is a very serious disease. It affects millions of people in Pennsylvania. It affects tens of millions or likely over 100 million Americans across the country.

The idea that it is a good thing that we should expand the availability of alcohol, that we should double the number of outlets for hard liquor, that we should expand the sale of hard liquor through as many retail outlets as possible is not something that many people agree with. There are many people who are against the fundamental goals of the bill, not just the details, which have been widely and strongly and wisely attacked, but they are against the goal. People really are not interested in seeing how much liquor we could sell if we really tried to do it.

The current system represents a balance. It was a balance in many ways. Pennsylvania, after Prohibition— Prohibition just dealt with the national government. There were national Prohibitions and there were State Prohibitions, and in addition to the national Prohibition, the vast majority of States had their own Prohibition law. Governor Gifford Pinchot was willing to get rid of the State Prohibition law in return for a system which balanced all the interests involved. In other States, Governors took a different position. Into the 1940s and 1950s, there were still many States that had State Prohibition, and the last State to get rid of Prohibition was Mississippi in 1966. Before 1966 it still was not legal to drink in Mississippi. Of course, that did not mean that nobody drank. We are just talking about what was legal.

Now, this system not only was balanced in terms of the interests of drinkers and nondrinkers; it was balanced in terms of the interests of all of the various business groups within the liquor industry and the interests of liquor consumers vis-a-vis the business groups. It is a very balanced system. It is a system that has produced lower rates of alcoholism, lower rates of drunken driving over time than many other States have done.

Everybody in Pennsylvania is hardly demanding that we pass this legislation. I have listened intently to my constituency. I have not sent out a questionnaire. I assume if I sent out a questionnaire, somebody would tell me that they favored getting rid of the current system. Without sending out a questionnaire but going actively to meetings, I have listened intently. Does anybody ask me to vote to get rid of this system? So far nobody has.

We heard about the New Jersey shore. It should be pointed out that there are 37 dry communities in New Jersey today including Ocean City, which is a very popular place for my constituents and I am sure for many of yours. In Pennsylvania there are still 600 dry communities.

People are not on board, in many, many cases, with the fundamental goal of this legislation. The idea that the State ought to be in the business of actively promoting liquor goes far beyond the Pinchot compromise of 1934, which recognized that some people drink and some people do not drink, and drinking ought to be done in a balanced way recognizing the interests of others. What are the interests of others? We have heard about, we have heard about abuse towards nondrinkers by drinkers. It was not a coincidence that women were given the right to vote at the same time that Prohibition was enacted. The fact is that many women's groups were active for Prohibition in significant part because many women were being beaten up by people who frequently got drunk. We know that drinking by definition causes drunk driving. If nobody drank, there would be no drunken driving. If more people drink, there will be more drunken driving.

We ought to maintain the principle of balance that is in the current legislation – balance for the rights of workers in the State liquor stores, balance for the rights of consumers who benefit from lower prices, balance for the rights of the beer distributors, balance for the right of all the multiplicity of interests within the liquor industry, and balance between those people who would like to drink and those people who fear the effect of too many people drinking too unwisely.

The act that we are seeking to replace is a compromise. It has been refined over time numerous times. The act that we are going to replace it with is not a compromise. It is a very one-sided view of what the direction of Pennsylvania ought to be.

I strongly urge, in combination with my colleagues, that HB 790 be defeated.

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

On that question, the Speaker recognizes the gentleman from Lancaster County, Mr. Cutler.

Mr. CUTLER. Thank you, Mr. Speaker.

As I have been sitting here listening to the debate, I am often conflicted with the inconsistencies that seem to be coming forth. Mr. Speaker, I would like to highlight one, in particular, and that is this: The attempts to modernize this system, which obviously the House did not adopt yesterday, were being praised. We could have direct shipment of wine, increased Sunday sales, and other modernization efforts to increase the sales. Mr. Speaker, I was left with one question, and it is this: Why is increased consumption via State stores okay but increased consumption through private vendors somehow more evil?

Mr. Speaker, I actually think rather than the debate between maintain the current system or modernize the current system and increase access to sales, there is an even more fundamental question that we should be asking, and for me it is this: Should the State even be in the business of alcohol sales to begin with?

Mr. Speaker, let us think about the current system. With one side of government, we have an entire set of individuals who are encouraging the sale of alcohol. I have heard advertisements on television. I have heard advertisements on radio. Mr. Speaker, and then we have an entire group of law enforcement officials who are attempting to enforce the laws that we currently have; I commend them for that effort, but I have to think that it is frustrating to think that our two arms of government are in direct conflict with one another. My opinion is that government should focus on essential services – roads, bridges, education – not encouraging the sales of liquor. I think that is best left to the private sector.

Mr. Speaker, earlier the gentleman from Centre County asked, what about the social conservatives? What about the "Christian movement," I believe was the term that he had used? Mr. Speaker, obviously I am from Lancaster County. We are known for the strong social values. I am proud to call myself a social conservative, Mr. Speaker, but I have to tell you this. When I had a breakfast last year for my local pastors, this subject came up, and I spoke my mind. I asked the very same question that I pose to the floor today, and that is this: Why is the State even in the business of selling alcohol? And somewhat to my surprise, two-thirds of the pastors that were in the room agreed. It was a broad cross section – Protestant, Catholic, multiple denominations. It was not that they were promoting increased access to alcohol. No; quite to the contrary, Mr. Speaker. They viewed the business as being immoral and they did not believe that the State should be in it at all.

Mr. Speaker, questions have been raised about control. Let us take a look at what controls will change. All the current controls will still be in place. It will still be illegal to sell to minors. It will still be illegal to drive while intoxicated. Not only that, but there are provisions in the bill, Mr. Speaker, that require carding for anyone under the age of 35, increased classes in training for the State Police. I would offer this, that by focusing solely on enforcement, the government can stop dividing their efforts. We are working against ourselves right now, one arm encouraging sales and consumption, another group trying to enforce the laws to prevent that same consumption. Mr. Speaker, I think when the government focuses on enforcement, we will all win, and our communities will be much safer.

Questions have been raised about the revenue. What will happen? I believe the Republican Appropriations chairman very eloquently pointed out, yes; there will be a one-time infusion of cash, money that comes into the State so that we can debate. I believe it is the purview of the legislature to debate how and where that money is spent. Mr. Speaker, but something that seems to continually be overlooked is this: 6-percent sales tax, we will continue to collect it; 18-percent Johnstown flood tax, we will continue to collect it. Mr. Speaker, it is not as if this stream of revenue dries up eternally. It is still there. It will be there as long as we sell alcohol in the State, regardless of who sells it.

Mr. Speaker, I opened with the question of, should we even be in the business in the first place? The counterargument is, could the Liquor Control Board modernize? Mr. Speaker, I come back to the original question, and it is this: Perhaps they can modernize, but I do not believe that they should ever have been in the business in the first place. That is why I encourage my colleagues to support HB 790, cast an affirmative vote, and get us out of the liquor business.

Thank you, Mr. Speaker.

## PARLIAMENTARY INQUIRY

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

On that question, the Speaker recognizes the gentleman from Washington County, Mr. Pete Daley.

Mr. DALEY. Thank you, Mr. Speaker.

Could I raise a parliamentary inquiry to the Speaker, briefly?

The SPEAKER. The gentleman may state his parliamentary inquiry.

Mr. DALEY. Mr. Speaker, just a few moments ago you made a ruling when the audience in the gallery, our citizens, applauded, and I think you made a reference to K. Leroy Irvis's ruling on that date and how he applied a certain standard to a certain behavior that was being sort of perpetrated that day by the gallery participants. Mr. Speaker, I was here that day, and I think there were about 10 of us here that day, and I do not think you were here that day, but Mr. Clancy Myer was here that day, Mr. Speaker, and I remember that day very vividly. And if you talk to Mr. Myer, I know the legislative record is not like closed captions, where you watch TV and it says someone laughs or someone does this. Our legislative record is a verbatim account of what we do here, but that—

The SPEAKER. Excuse me; will the gentleman state his parliamentary inquiry.

Mr. DALEY. Yes; I am sorry, Mr. Speaker. I was trying to lay the foundation, and I do apologize for my back.

Now, I remember very vividly that day that standard was applied to individuals that were booing and hissing and cheering and berating and cussing and yelling at the members of the legislature. I would ask the Speaker, when he applies this standard of admonishing—

The SPEAKER. Will the gentleman suspend a minute.

Let me just cut to one little fact here. The event that I made reference to was September 19, 1978.

Mr. DALEY. Well, I guess, Mr. Speaker, it must have been another event, because I was not here in '78, but I remember when the Speaker used that same standard in 1983, and I would ask, Mr. Speaker, that you do not use the standard in which people scream and yell and carry on to the same standard as people applauding. That is my question.

The SPEAKER. The gentleman will suspend.

Part of the role of the Speaker is to maintain order, and while we certainly understand some shouts and stuff when somebody gets revved up, we understand some general applause, it is subject to the opinion of the Chair when someone might be going beyond disorder or getting into the area of disorder, and that was my interpretation of that moment, and I stand by it.

Mr. DALEY. Well, in all due respect to the Speaker, because I have known you for many years, Mr. Speaker, I would just ask that you just possibly rethink, and I do respect the opinion of the Chair.

Mr. Speaker, on the question before us, HB 790, Mr. Speaker.

The SPEAKER. Did you say you have another parliamentary inquiry?

Mr. DALEY. No, Mr. Speaker—

The SPEAKER. Oh; you wanted recognized on the question?

Mr. DALEY. Yes, Mr. Speaker.

The SPEAKER. The gentleman is recognized on the question.

Mr. DALEY. The truth cannot be silenced. The truth cannot be silenced by anyone.

Now, I want to raise a toast of this water for all of us, because today we are participating in a debate that is going to be the biggest debate of this session, probably the biggest debate of this decade. You will be measured, every one of us, on this debate, on this vote, on this moment now and forever in your legislative careers, and I raise that toast today because today is the end of conservatism. I have been here for a while, and I know for a fact that I see the end of conservatism today, because I see conservatives from conservative districts voting that liberals would vote on liberal issues. What is going on here?

Pay attention, because there are people among you telling you, drink the Kool-Aid. You are going to be protected. Well, guess what? You cannot drink the Kool-Aid. There are those that tell you, drink the Kool-Aid. You are going to be Teflonized. You are going to be protected. You are going to be protected from this issue.

You know what? I raise a toast to all of us today, because today we are effectively going to get rid of about 5,000 jobs; about 10,000 kids on the average are going to be suffering. And if you turn around and look at those folks in the audience, the people standing up there, it is their jobs. If you were here and you were up there and we were going to get rid of your jobs and

your family income and end the way you live and your lifestyle, you would be doing more than cheering. I know I sure as heck would be. I would be doing more than cheering and clapping my hands. Turn around and look at them, because those are real people that have real jobs, real livelihood, real things to fight for.

Well, what the heck. Hey, let us raise a toast to getting rid of \$170 million a year for Pennsylvania. What a day for Pennsylvania. Hang your head on that next election. I am sure your conservative districts and liberal districts and all the Bible Belt section of Pennsylvania, the Big T, everybody is going to raise their hands and say, "hallelujah," because what we have done is we eliminated \$170 million into this budget, into this economy from now and forever, because we are going to get \$1.1 billion, because they told you to drink the Kool-Aid. They told you to drink the Kool-Aid. Like Jimmy Jones, they tell you to drink the Kool-Aid. You are going to be protected.

Mr. Speaker, you know, everybody has talked about drug abuse, alcohol abuse, but do you know what? Let us just toast that right now, because you know what we are doing has far more reaching things than just taking people and giving them the opportunity to have more access to liquor. I hope we are not giving a lot of people a death sentence here today, because someday people will be affected by the access to this liquor. Let us hope that is not going to happen. Please, let us hope that is not going to happen because you were told to drink the Kool-Aid. You can do this. This is one vote.

You know, I guess I toast to the end of the adage, if it is not broken, do not fix it. Well, guess what? Today we are going to fix it anyway because we really do not care, because we were told to drink the Kool-Aid.

Mr. Speaker, I know I have kind of lost some of the Republican members, because if I was going to make this vote, I would be lost, too, because I was told to drink the Kool-Aid. But I pray for all of us. I pray for Frankie and I pray, frankly, for everyone, and I pray for all of Pennsylvania.

No to HB 790, no to HB 790, heck no to HB 790. Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Westmoreland County, Mr. Reese.

Mr. REESE. Thank you, Mr. Speaker.

I stand in support of HB 790. HB 790 will take us one step closer to returning State government to the mission for which it was created, and that is because, Mr. Speaker, the retail sale of wine and spirits is clearly not a core function of our government.

I believe that any member looking at this bill objectively will conclude that it is pro-consumer and it is pro-small business. It provides our existing beer distributors and "R" license holders an opportunity to make a reasonably priced investment and expand their license to sell wine and/or spirits.

The bill is a win for consumers, because just like any other product, it keeps marketing and sales in the hands of private industry. If a consumer does not see a product they want or they think the prices are too high, they are free to patronize another competitor.

While I am concerned, Mr. Speaker, with the current State employees that have been hired to man these retail operations, I am equally concerned for Pennsylvania citizens who have suffered under this antiquated system that has inflicted higher prices and limited choices for far too long.

Mr. Speaker, some have argued that a privatized liquor system would mean higher underage drinking rates. As a father of three young children, I am as concerned about that as anyone. But, Mr. Speaker, facts are stubborn things, and according to the Federal Substance Abuse and Mental Health Services Administration, Pennsylvania, who, as we all know, is only one of two States that sells spirits, ranks as the 17th highest State in underage alcohol consumption. Clearly there is no equivalence between underage consumption and whether or not alcohol is being sold by a State employee on State-leased property.

In addition, we all must remember that privately owned businesses have much more to lose by selling to a minor than a government agency. Should they break the law, they will be at risk of losing their license, which is the very backbone of their operation.

Mr. Speaker, it is time for State government to treat Pennsylvania consumers and business owners like adults. In a race toward consumer choice and economic growth, the natural laws of supply and demand will always trump the intrusion of government. Therefore, I urge my colleagues to support HB 790. Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the lady from Philadelphia County, Ms. DeLissio.

Ms. DeLISSIO. Thank you, Mr. Speaker.

Mr. Speaker, I have a brief couple of questions for the maker of the bill, please.

The SPEAKER. Will the gentleman from Philadelphia County, Mr. Taylor, stand for interrogation? The gentleman indicates he will. The lady may proceed.

Ms. DeLISSIO. Thank you, Mr. Speaker.

Mr. Speaker, in the legislation there is reference to a payment plan for distributors that obtain a wine and spirits license, and I had a question as to why the Commonwealth was looking to fill this financing role as opposed to traditional lenders?

Mr. TAYLOR. Instead of having the Commonwealth get into any strict borrowing or lending money, this is just an installment plan to make the payment. As a result of many conversations with beer distributors all over this Commonwealth, many of whom have expressed an interest in obtaining these licenses, one of the problems was that banks at some point do not value licenses the way they should and just do bricks and business models. So they were concerned about whether or not they would be able to finance that separately. We wanted to make sure that there was a provision in the law to enable them to obtain those licenses.

Ms. DeLISSIO. Mr. Speaker, who would administer this installment plan for these licenses? Which department would that be, the Department of Revenue or the current LCB?

Mr. TAYLOR. The payments would go to the board, just the way any other license fee would go.

Ms. DeLISSIO. I guess, Mr. Speaker, my questions along this line have to do with things like even with an installment plan, someone needs to do due diligence to understand that, and I understand in the language that if somebody misses a payment, the license can be recaptured. The legislation does not spell out any of that. Do you miss one payment and your license is recaptured? Is there a 30-day grace period? Is there any type of penalty for not paying this installment on time?

Mr. TAYLOR. There will be regulations promulgated by the board. I mean, this administrative function of the board does this every day in terms of payments for licenses, for compliance with checks, for inspections that they go through. I mean, probably this installment plan would be one of the easier functions that they would have in the Liquor Control Board.

Ms. DeLISSIO. So is there currently then an installment mechanism there for licenses now, or this would be a new function?

Mr. TAYLOR. It is a new license. It is a new installment plan. Yes; it would be a new function.

Ms. DeLISSIO. And then the 5 percent that is listed in there, I think my business mind actually does frame this as lending, and that 5 percent as the interest fee. So that 5 percent to pay the licensing fee, that would be the licensing fee per the schedule plus 5 percent?

Mr. TAYLOR. Yes.

Ms. DeLISSIO. Okay. Again, in my business mind, this sounds like a loan paid— I mean, any loan is paid on an installment basis over a period of time, so I am not sure it is even semantics. It just struck me as the whole premise of this privatization is free market. And it is interesting – and I think the gentleman may be right, Mr. Speaker – that I have talked to one of my favorite bankers recently, and this might be a tough sale to traditional lenders, but it is a tough sale for good and sufficient reason. The collateral is not there. So I think this is interesting that the Commonwealth is willing to fill this void.

On the bill, Mr. Speaker. Thank you for the answers. On the bill.

The SPEAKER. Excuse me; is the lady done with interrogation?

Ms. DeLISSIO. I am, Mr. Speaker.

The SPEAKER. I apologize.

Ms. DeLISSIO. Thank you.

The SPEAKER. The lady may proceed on the bill.

Ms. DeLISSIO. Thank you.

Mr. Speaker, in my 27 months here in the House, I have found that the more impactful the bill, the more significant the bill, the quicker the process seems to go. And I am struck by the fact that if this legislation has the merit and is the correct path for the Commonwealth, as both the administration and the maker of the bill have put forth, then this will stand up to scrutiny. It should be able to stand on its merits.

And I have recently communicated with my constituents, because I am struck by the fact that we are here today on Thursday discussing 244 pages of language, not to mention tens of amendments that were submitted subsequently. When that language became available as of last Friday, the substance of the bill is very different than what I saw over my first session here in 2011 and 2012, and for that reason alone, Mr. Speaker, it would be reasonable, it would be very reasonable to have expected public hearings on this and the opportunity for all of the stakeholders, whether it is Jane and John Q. Citizen or those affiliated with the beer, wine, and liquor industry and those who are interested in participating in this industry, if such a piece of legislation were to be successful, that those hearings would have been fruitful and productive. So my constituents have responded to that communication and support that concern, that this has not been, we have not been allowed to be able to discuss it and get additional information in any meaningful way.



I also found it very interesting, Mr. Speaker, that this afternoon Senator Pileggi issued a news release stating that – the way I read this news release – it is very doubtful that the Senate will even consider this piece of legislation. So I think, as an earlier speaker suggested, if folks were either on the cusp or really need to do a little bit of soul-searching and find their heart and soul is not into a "yes" vote, they may want to reconsider that in light of this news release here that I have in my hand.

Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Philadelphia County, Mr. Brendan Boyle.

Mr. B. BOYLE. Thank you, Mr. Speaker.

This is obviously a complex issue. When I was new to the House Liquor Control Committee about 4 years ago, I started to wade into it and was really struck by how many different issues are at play when it comes to this issue of potential privatization.

So I think it would be helpful when we are considering all of the various perspectives in this debate and all of the considerations to categorize the issues that are involved by different perspective, and I think there are four major perspectives or prisms through which to view this issue: from the perspective of the taxpayers, the consumers, the employees, and society at large.

So first, with respect to the perspective of the taxpayers, right now we have a tremendous asset, we the people of Pennsylvania, the taxpayers. Now, I know that there are a number who believe for ideological reasons, and we have heard some of this this afternoon, there are those who believe that government just should not be involved just because government should not be involved in what they perceive as a private-sector business.

You know, before coming to the legislature, my background was in the private sector, so I am certainly not one to bash the private sector – far from it. When I worked there and did some financial analysis, if I had gone to the CEO for whom I worked and I said, "Boss, I have a deal. Here we have an asset that brings in a little over \$2 billion in the top line each and every year consistently, and with consistent growth over about a 70-year period. This asset brings in a little more than \$400 million a year in revenue, and does so on a consistent basis, and it clears a profit of a little over \$100 million, and I propose that we are going to sell that asset for about \$1 billion or maybe even get less." I would have been fired on the spot for proposing such a bad business deal.

Furthermore, for those who really want to move in more of a private-sector or more of a free market approach, consider that in this bill we are selling off these licenses at an arbitrary dollar figure. Where those figures came from, we have no idea. There is no proposal that this asset be appraised. There is no auction process whatsoever, so that way we can get a true market value on these licenses. Instead, we are just giving away the stores – literally. So, Mr. Speaker, from the perspective of the taxpayers, this deal does not make any sense and does not deliver to them anywhere near the value of this tremendous asset.

Consider also the experience of four States that moved from a privatized system or – excuse me; moved from a publicly run system to a privatized system: Iowa, West Virginia, Washington State, as well as Maine. Those four States, conveniently in four different regions of the country, each of the four saw the same thing: Revenue projections in the years that followed privatization never met what was promised. In each and every

one of them, they declined. In fact, in Iowa it took 17 years for the State revenue to bring in just what it brought in in the last year prior to privatization. So, Mr. Speaker, from the perspective of the taxpayers, this deal is a loser.

Second, from the perspective of the consumers, those who currently shop at our State stores or buy their beer from beer distributorships, in each of the States that I just mentioned – in Iowa, West Virginia, Washington State, and Maine – in each of those States, consumer prices went up after privatization. They did not drop; in fact, they increased. So for those who were promising to our consumers that, well, if we just privatize, you will be able to buy the same product at a lower dollar figure, the experience of our States has been to the contrary. Jefferson called the States the laboratories of our democracy. We are fortunate here in Pennsylvania that we can look at the experience of four States that have gone down the route that this bill proposes that we go down, and we know from their experience that it was a bad deal for the consumers.

Third, with respect to the employees, we right now have a system that provides over 5,000 good, decent middle-wage jobs with benefits. They are not getting rich. No one who works in our State system is becoming a millionaire because of the jobs that the State system provides, but they are able to have good, decent, honorable jobs on which they can earn a salary that provides for a family. Those jobs would be lost if we pushed through with this privatization. Now, some, to be frank, might think that is a good thing. For some, they believe that public-sector jobs just are not at the same value of private-sector jobs. I completely disagree with that ideology. Just look at the facts. Right now in Pennsylvania we have a State unemployment rate of 8.2 percent. It is higher than the national average. One of the main reasons that it is higher than the national average is because in the last 2 years we have laid off over 20,000 State employees. If we lay off another 5,200 employees, that will only make our unemployment rate worse.

Finally, from the perspective of society at large, to those particularly on the majority side of the aisle who believe that we just should not be in this business, I might agree with them if we were talking about making pens or laptops or selling plastics, but alcohol is different. There is a reason why we had this system created in the first place. The fact is that alcohol, the drug that it is, while some of us, many of us can engage in it and have absolutely no problems at all, we know that is not the case for everyone in society. We know that an increase in alcohol consumption does bring with it certain costs to society.

Something that is a fact: According to the Centers for Disease Control, Pennsylvania right now ranks as the best in the nation when it comes to alcohol-related deaths. We have the fewest. There is no question, there is no question that our State-run system is part of why we continue to lead the nation in that statistic. But consider another statistic from the CDC: For every increase in six alcohol outlets – in other words, every time you increase the number of outlets that sell alcohol by six – you have one additional increase in violent crime with one additional hospital stay. So it is no wonder that so many law enforcement agencies are against this proposal. The Pennsylvania Fraternal Order of Police, Chiefs of Police Association, Mothers Against Drunk Driving, so many others who have the job of making sure that we have a safe and healthy society are against this proposal.

So, Mr. Speaker, I genuinely came to this issue a number of years ago with an open mind, and after having carefully studied

it over the last 3 years, I believe that whether it is the perspective of the taxpayer, whether it is the perspective of the consumer, whether it is the perspective of the employees, or it is the perspective of society at large, this bill is a loser and should be voted down. Thank you.

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

On that question, the Speaker recognizes the gentleman from Lancaster County, Mr. Denlinger.

Mr. DENLINGER. Thank you, Mr. Speaker, and I thank my colleagues for the opportunity to address you and talk to you just a little bit in a more personal way, if I can, about the subject of HB 790 and the subject of control.

There are many of us in this chamber who have concerns along those lines, and my friends from Bucks County highlighted those issues for us, and I think we need to take that to heart. We need to think through the impacts to society that grow out of the policy decisions that we make, very important decisions for individuals, for families, and for our communities.

With that concern in mind, I approached this subject, quite frankly, beginning from a negative standpoint, but I waded into the bill, and my goal was to try to ascertain whether the sufficient level of control is maintained in such a way that we can balance the desire of many of us, and frankly, most of our fellow citizens out across the State, to get the government out of this business and yet maintain sufficient control and protection for our society.

Mr. Speaker, I have come to the conclusion that sufficient controls are maintained in HB 790, and that those of us who carry those concerns can vote for this bill with confidence. There are various points of control woven into the legislation, and I will not rehearse all of them for you; other members have – age limits, different protections in regulation, those things are there.

And I think it is true that those private citizens who step forward to purchase these licenses, who put their assets on the line, they have a huge vested interest in maintaining control, not allowing underage sales, not allowing inappropriate purchases and activity to go forward, because they have something huge to lose – they have their license, their livelihood to lose. And so, Mr. Speaker, I think the private sector actually will do a better job of maintaining control than what we are seeing in the public sector.

And there is another more basic reason why I have come to the position of support. There is an inherent conflict of interest within this government, and that is, we sell and promote the sale of alcohol and then yet we try to come around on the control side and limit it. We come up with programs to deal with addictions, all the while we are putting ads on television, on radio, "Go out, celebrate Mother's Day with mom and buy her a bottle of vodka and have a happy time together, by golly." That is what we are doing, we are trying to control, trying to promote and sell. It is an inherent conflict of interest.

Mr. Speaker, I would suggest to you and my friends here that beyond the conflict of interest within government, that we have placed our citizens in a conflict of interest. Mr. Speaker, we are a Commonwealth, a Commonwealth. We are one of only four in the nation. What does that mean? Well, that means the citizens of this State own the collective assets of its government, and so not only is this State government in the alcohol business, the citizens, all of them across Pennsylvania, 12.5 million, are in the alcohol business. And for those many who have a huge moral

objection to the sale and the promotion of alcohol, we are placing them in a conflict-of-interest situation.

And so, Mr. Speaker, my goal in voting in support of HB 790 is to disconnect this government and to disconnect those citizens who have that moral obligation from the sale and the promotion of alcohol in our society. I think it is the right step from a moral standpoint, and I think it is the right step from an economic standpoint, and I encourage an affirmative vote on HB 790. Thank you.

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

On the question, the Speaker recognizes the lady from Montgomery County, Mrs. Dean.

Mrs. DEAN. Thank you, Mr. Speaker.

I rise in opposition to HB 790, and I offer you these brief comments of explanation, my thoughts on the failures of this legislation. It is a failure in four ways: It is a failure of process, it is a failure of policy, it is a failure of profits, and it is a failure of that passport to I do not know what.

On process, here it is, 194 pages. I really want the citizens of Pennsylvania to understand, 194 pages. We have not had a single day to read this bill. We have not had one hearing on this bill. There has been a total failure of process of transparency. When the Pennsylvania Constitution assures us 3 days of deliberation, I do not think the Constitution meant to thwart that thoughtful deliberation by passing a very substantive amendment yesterday and forcing us to vote on it today. It is a failure of process.

It is a failure of policy. We are splintering a \$2 billion enterprise that, as we have said over and over and over again, it generates more than \$100 million a year in profits. It captures more than \$400 million a year in revenues. It employs more than 4,000 terrific people here in Pennsylvania and offers them good-paying jobs and benefits for their hard work. It reduces underage purchase of alcohol. It reduces underage and binge drinking. The CDC warns of the negative outcomes of this move, as has law enforcement and many, many others, yet we plow ahead unthinking on the bill we got this morning.

It is a failure of profits. Most puzzling to me is that this just is bad business, really puzzling to me coming from an administration that is all about good economics and good business decisions, because here we go, we are going to kill 4,000 jobs, we are eliminating profits forever, we are compromising our ability to collect sales taxes, and do not forget we will give up 1 percent of the sales tax collected to the private distributors. We are doing a one-time fire sale for an unknown amount of money. We can never get it back. It is a very valuable asset. This is bad business. It just locks in losses. It is very puzzling to me.

And I will point to just one number that we saw today in the fiscal note in the Appropriations Committee hearing. If you recall, the Governor said, do not worry, the profits will be replaced by collection of licenses. But we took a look at the fiscal note today, and here is the comparison. More than \$100 million worth of profits are now replaced, as we know, by \$26 million in license fees annually, less than one-quarter of what we are doing now. That is a big gap. That is locking in losses.

Finally, let us not forget that passport to learning, as it was marketed by the Governor right here in this room and by his administration and by many members here on the floor. I would remind all of us that our children's passport to learning is our Pennsylvania Constitution, Article III, section 14. So maybe the

Governor heard me – probably not – but maybe the Governor heard me when I objected to that linkage. I did not like that idea that a one-time fire sale of liquor would support our educational system, but do not worry, because the bill now offers nothing to our children, nothing to public education, just a bunch of broken promises.

We are our Commonwealth's fiscal stewards. I ask the members here today, if you are prepared to vote "yes," are you prepared to take fiscal, ministerial responsibility for the failure of this selloff? I urge the members, do the right thing, vote "no" on HB 790. This is not about should we be in the business of liquor or not; this is about a bad piece of legislation.

Thank you very much, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Chester County, Mr. Lawrence.

Mr. LAWRENCE. Thank you, Mr. Speaker.

Mr. Speaker, we vote on a lot of bills, many very important issues. Rarely do we have an opportunity to weigh in on an issue of such significance. This legislation that stands before us today is a game changer. Make no mistake about it, it is a game changer.

Now, look, I would like to ask a few simple questions. We have heard a lot of rhetoric today. I would like to ask a few simple questions. Do you believe the government masterfully manages every enterprise it controls? Do you believe the role of the government is to develop in-house private label liquor brands to compete against and undercut private industry, private enterprises? Do you believe our State government here in Pennsylvania should undercut our own Pennsylvania wineries by signing a contract with a California winery to develop a private label brand, then turn around and advertise this LCB-created brand heavily, giving it preferential treatment and placement in the State store system? Do you believe it is the role of this government to clerk Jack Daniels? Do you believe it is the role of the government to spend \$4.72 million a year to advertise wine and hard liquor? Do you believe it is the role of the government to create, finance, and place radio ads asking people to buy vodka and then drink it with their mother to celebrate Mother's Day? Or do you believe that the government should get away from the inherent conflict of interest that comes with regulating and selling the same product, policing and advertising the same product? Do you believe that a well-regulated private sector, frankly, can run a business responsibly and efficiently? You know, we do not have to guess at the answers to these questions. We can look at 48 other States for the answer, 48 other States.

Mr. Speaker, I have heard a few folks today who have spoken against this legislation talk about how it is a big win for the big-box stores and goes small business, and frankly, Mr. Speaker, that is absolute bologna. This bill gives beer distributors, who are the very definition of "small business," the opportunity to enhance their business by getting into wine and liquor at, frankly, a very reasonable cost.

And, Mr. Speaker, we have heard an awful lot today from folks about the social ills of alcohol and how this bill is an expansion of alcohol in the Commonwealth. Several speakers have spoken very passionately about this, how we need to exercise control, and I would like to make some points on this. I recognize I have only been here for a little while. I have only been here in this House for 27 months, but during my time here,

we have made a few votes that expand the availability of alcohol in this Commonwealth. And you know, Mr. Speaker, when we had those votes, I heard almost nothing about how giving folks more opportunity to buy alcohol will lead to more social problems.

I point to HB 242 of last session, which passed this chamber and the Senate overwhelmingly. This bill included an expansion of the special-occasion permit to public radio and television stations; it allowed zoos to apply for public venue licenses; allowed malt beverage manufacturers, distributors, and importing distributors to sell malt or brewed beverages for additional hours; completely gutted the regulations we had on happy hours and dramatically expanded them, dramatically expanded them – I hear some applause from the minority side of the aisle; I mean, if you do not think that is going to expand alcohol consumption – allowed for brewery sales and container sizes, and on and on and on.

You know, I will state I was one of the very few to vote against that bill because I do not support an expansion of alcohol. So you might ask, with a track record like that, why am I strongly in support of HB 790? Because I am interested in seeing the State get out of the business it has no business being in, because I am interested in giving our mom-and-pop beer distributors an opportunity to expand their business, and because I do not believe this bill will increase the negative social effects of alcohol any more than we see today in the Commonwealth, and if I did, I would vote against it.

There is a very similar system to what is proposed in HB 790 in place in most of the States that surround our Commonwealth, and last I checked Delaware had not fallen into the Atlantic Ocean and neither has New Jersey, despite some rumors. In my view, the social ills argument is a red herring and an attempt to derail a very good and well-constructed bill.

Now, second, this bill increases enforcement and focuses the LCB on its rightful role as a regulator of the sale of alcohol. This bill provides for undercover police officers in locations that retail wine and hard liquor, which, amazingly, is not the case today.

Now, in closing, Mr. Speaker, I am not one who supports change for change's sake. I still have a rotary phone at my house. I even downloaded a rotary phone application for my iPhone. Mr. Speaker, this is not simply change for change's sake. This is a core, defining issue of free enterprise and consumer choice.

And I realize that there are probably some here today who, in all sincerity, would like to move forward on this issue but for various reasons will cast a "no" vote. I encourage you to rethink your "no" vote. The people of Pennsylvania have spoken loudly and clearly. They are in favor of moving forward. Again, this is a defining issue. Are you in favor of consumers and small business, or are you in favor of a government-run monopoly with a track record of such innovations as the unmanned wine kiosk, a government-run monopoly that fails to stock its State stores with more than a couple token bottles of our own Pennsylvania wines, a government-run monopoly that brags about how one can order from an unmatched selection of product from around the world on its Web site, yet lists only 15 bottles of wine from in-state wineries available for sale there, a government-run monopoly so poorly designed that it forces people to break the law and drive across State lines just to buy the products that they cannot obtain here in Pennsylvania? One

of the people that broke the law in that matter was the opponent that I beat in the last election, for one of his campaign fundraisers.

Mr. Speaker, in my view, the choice is clear. The people of Pennsylvania deserve better, and I encourage an affirmative vote.

Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Lycoming County, Mr. Mirabito.

Mr. MIRABITO. Thank you, Mr. Speaker.

Mr. Speaker, I want to speak just for a couple of minutes about the perspective from rural Pennsylvania and what this bill does for those of us who are in districts from rural Pennsylvania.

You know, we heard earlier from the gentleman from Mercer County that the Governor's own report states that prices are going to go up in rural communities, and we know from earlier Representatives that advertising is going to increase. So, Mr. Speaker, it appears that for rural Pennsylvania, we have the paradoxical situation that more alcohol will be provided to young people who should not have it, and the cost and selection for people who are allowed to have it will go down.

You know, all of us know families that have been torn apart by alcoholism. Many of us on this floor have spoken about the tragedy of DUIs that have occurred in our districts and the loss of a child or a family member. And it is not surprising that we know people whose families have been torn apart, because as we heard earlier, there are 79,000 deaths in our country every year that are alcohol-related. It is the third leading cause of preventable deaths in our nation.

There was a study done in 2009, and it shows that 23 percent of our adult drinkers, those are drinkers over the age of 18, report binge drinking. Binge drinking is five drinks or more on one occasion for males and four drinks for women. So what do these statistics have to do with HB 790? Why should those of us in rural Pennsylvania care about those statistics? I do not believe in government control over our lives, Mr. Speaker, but we have to be honest with ourselves and with our constituents. Studies have shown time and time again that retail privatization of alcohol sales leads to increased and excessive alcohol consumption, and excessive alcohol consumption leads to alcohol-related deaths. It is plain and simple.

Now, what does that have to do with rural Pennsylvania? Mr. Speaker, in 2009 the Center for Rural Pennsylvania issued a report, "Alcohol, Tobacco, and Other Drug Use Among Youth in Rural Pennsylvania." By the way, we pay for the Center for Rural Pennsylvania to do these studies. I hope you will indulge me by listening for one minute. It showed that alcohol use among rural youth was higher than urban youth for each year and each grade studied for both girls and boys. And here, Mr. Speaker, this is what really frightens me as a parent of a young child. Among rural youth, the median age of first-time alcohol use was 13 years old; 13 years old, Mr. Speaker, and sadly enough, 25 percent of our rural males and 17 percent of our rural females reported that they drank alcohol for the first time before the age of 10. In rural communities the median age for regular alcohol use among our young people is 15.

Mr. Speaker, there is no doubt that the proliferation of advertising that will happen with this bill will be directed and seen by our young people. Mr. Speaker, there is no doubt that

the advertising will increase consumption by our young people in rural Pennsylvania. You know, that study in 2006, there was another study in 2006, Mr. Speaker, that looked at drug and alcohol treatment in rural communities. The greatest percentage of clients, 45 percent, were there for alcohol treatment. Now, Mr. Speaker, who pays for this treatment? Well, in 2004 and 2005, counties paid for it in 37 percent of the cases, and Medicaid paid in 23 percent. So by increasing alcohol sales, we are putting yet another burden on our counties for which there is no money.

Mr. Speaker, I believe we have a responsibility to all of our constituents not to control their lives but to make sure that policies we pass here in Harrisburg do not bring more tragedy, more misery, and more problems to our communities.

I ask you to think about this, especially if you are from a rural district, and I ask you to oppose HB 790. Thank you.

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

On that question, the Speaker recognizes the gentleman from Westmoreland County, Mr. Evankovich.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Mr. Speaker, I rise today in favor of HB 790.

Few issues reach this chamber that unite Republicans and Democrats, liberals and conservatives, Philadelphia, Pittsburgh, and the T. Mr. Speaker, this is one of those issues.

Mr. Speaker, I could stand here and go point by point to challenge the accuracy and the relevance of the issues identified by the opposition. We talk about beer distributors, underage drinking, grocery stores, LCB employees, brewers, wholesalers, and big-box stores. Mr. Speaker, we talk about economics, revenue to the State, equitable distribution of licenses. Mr. Speaker, while all those issues are important, I stand here today to speak on behalf of my constituents. Mr. Speaker, my constituents tell me time and again how frustrated they get with the selective indifference that their government shows towards the issues they care about.

Let us talk about the people that you represent, the people that we represent. These are the people who buy wine and spirits. Sometimes we get in this great hall and this beautiful building, and sometimes I think we need to step back. Outside of all the special interests, outside of all the pressures, we need to ask ourselves the question that my good friend from Lancaster County asked: Do we think that the State should be in the business of the retail sale of alcohol? That is the core question. Our constituents almost universally say no, yet somehow we remain deaf to that answer here in this building.

It makes intuitive sense that private businesses can sell wine and spirits better than bureaucrats in Harrisburg. This is what the people want. This is the change that they want, and if we think that modernizing the LCB system will somehow change the way that it operates, we are mistaken. If we think that window dressings will change how the political influence just absolutely destroys the way that the retail side operates, then we are mistaken.

I did not want to mire too much in the details, but I felt compelled to. On the issue of drunk driving, on the issue of alcohol-related deaths, we have heard a lot today, and so I decided to go on the Web site for MADD. We have heard about how with increased locations to buy wine and spirits, as other States have done, that we would see an increase in drunk driving deaths. It is a mistake that we make all the time where we try to attribute a cause to an action. Well, I would just like to share with this chamber a few statistics. According to Mothers



Against Drunk Driving, Pennsylvania ranks fourth highest in the United States for the number of drunk driving deaths in 2011 – fourth highest in the United States. Four hundred and twenty-four precious souls lost their lives on the highway in Pennsylvania in 2011. We are the fourth highest in the nation. States around us were all lower; every single State around us was lower – New York, Ohio, Virginia, Maryland, West Virginia, New Jersey. I personally find that causation without the statistics to back it up to be very misleading.

I want to talk about the revenue. You know, it is often said that the State stores a few years ago brought in \$500 million in revenue, and that is true, but as has been pointed out, 80 percent of that is tax revenue that we are going to continue to get under HB 790. So if we just say that those assumptions are right, that \$80 million in profit from the stores, it will take us 13 years to make up for that \$80 million or for that one-time sale. That is a pretty good investment; that is a pretty good investment.

And for the record, I would just like to answer, I would just like to answer a question that was posed from one of my colleagues, one of our good friends from Centre County. I just want to say that who I stand with in this issue, I stand with the millions of Pennsylvanians who want the choice and convenience of being able to buy wine and spirits outside of this archaic system that was devised in a bygone era.

And in closing, I would like to welcome our good friend and our good colleague, the chair of the Human Services Committee from Bucks County, that it is okay for him to change his vote as well, and I encourage for us to implement the will of the people of Pennsylvania and vote "yes" on HB 790. Thank you.

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

On that question, the Speaker recognizes the lady from Philadelphia County, Ms. Bishop.

Ms. BISHOP. Thank you, Mr. Speaker.

I rise to oppose HB 790 based on the fact that this is a plan that would result in massive expansion of alcohol availability and the consumption of more alcohol by our young teenagers, triple the number of wine and spirits stores, and more than quadruple the number of wine retailers in Pennsylvania, and you have got HB 790.

This plan is unsafe. It would allow restaurants to sell bottles of liquor to go as long as the bottles have been opened and the customer has had a drink or two or three or four or five. It is irresponsible, it is an irresponsible provision that could encourage drunk driving.

A number of groups, I could not name all of them that oppose this bill, but I begin by telling you that Mothers Against Drunk Driving opposes this bill. They called it reckless, a reckless, scheming bill. They have lost enough children to know. The Pennsylvania DUI Association and SADD also oppose this plan. The Fraternal Order of Police and the Pennsylvania Professional Fire Fighters Association oppose this plan. They called it a scheme, and because of public health and safety concerns and because of the expected increase in alcohol-related crimes, accidents, and emergencies, they oppose it.

The U.S. Centers for Disease Control has found that privatization contributes to increases in alcohol consumption, creating a greater risk of alcohol abuse and its associated social costs and problems. The CDC also concluded that privatization of alcohol sales results in a reduction in enforcement of sales regulations, including enforcement of underage drinking laws.

Other groups who oppose this alcohol expansion also include the Drug and Alcohol Service Providers Organization of

Pennsylvania, Pennsylvanians Concerned About Alcohol Problems, Commonwealth Prevention Alliance, United Methodist Advocacy in Pennsylvania, the Pennsylvania Alliance for Retired Americans, CLEAR Coalition – over 11, not to mention the hundreds of other groups that oppose this plan, which would force thousands of middle-class Pennsylvanians out of work, out of work. It would create unemployment rolls that we will not be able to imagine, while retailers, the big, fat boys with money and profit, would continue to roll on.

Mr. Speaker, this is a plan that will result in the loss of 4,000 family-sustaining jobs at the State wine and spirit shops. We cannot afford to pass this bill. We would also put small family-owned distributors out of business. Pennsylvania beer distributors directly employ 5,000 workers and support some 14,000 jobs. Where would they go for work? Unemployment line.

As I look at my district and some of yours that I know and the hundreds of people that have called my office, written my office, come into my office, and even visit me here at the Capitol, I see thousands of people out there, many of them who have worked for years on a meager salary but the best that they could get. They have been able to supply food for their children and keep a roof over their heads. They will have nowhere to go, and we who are in this House of Representatives have a moral obligation to do everything that we possibly can to keep the women and the men in the Commonwealth of Pennsylvania, those that can, keep them working, keep jobs for them, not putting them out of work.

So in closing, I would just like to leave you with this simple phrase that came from a grandmother of mine who had a lot of wisdom. She said, "Life offers you two roads. When you get to one, when you come to the crossroad, it is going to be a beautifully smooth paved road with lots of green trees and shrubbery, and you turn down that road and you might find what you want, but the other road is going to be a bumpy road; a winding, turning, bumpy road. That is usually the one where you will do your greatest work and where you will help your most needy people."

Mr. Speaker, I ask you to oppose HB 790. That will not be the road that your people will need to be on, nor you. Thank you.

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

On that question, the Speaker recognizes the gentleman from Allegheny County, Mr. Mustio.

Mr. MUSTIO. Thank you, Mr. Speaker.

I really appreciate the debate, the tone of the debate today, and I think that was set because of the two fantastic leaders that we have as chairmen of our Liquor Committee, Representative Taylor and Representative Costa. So I want to thank both of them for their leadership on this issue.

How did we get here today? I can tell you that I have been working on this for 10 years, since I have been in the House. Four years ago when we started hearings on it, I said to the chairman of the LCB at the time, "We have a responsibility as a monopoly to provide the best product, the best service, and the best price." If we did that, we would not be here today. We would not be here today if we did that. We do not do that.

So as we traveled across the country, on our own dime, seeing how other States do it, seeing how other States have converted from a monopoly State to a private-sector State successfully – successfully, I might add in the State of

Washington. We have heard some testimony here today about how Washington State was a failure. Well, I can specifically address that and say firsthand that it was a success. It was a success. They started out having some road bumps, but by us taking the time to go look to see how they implemented their process, we were able to tailor this legislation, no pun intended, to avoid the mishaps that took place in Washington State.

We heard testimony today that Washington State revenues went down, that sales went down. That is a fact. Sales went down in Washington State immediately after they privatized. We also heard testimony in the course of this debate that consumers in Washington State went across the border to Idaho or Oregon. That is a fact; they did do that immediately after privatization. We received newspaper articles from those opposed to privatization as we sat in our offices here in Harrisburg, but we decided let us go to Washington and investigate as to why that happened.

So we sat down with the LCB of the State of Washington and we asked specific questions as to why these things happened. Well, it turns out when they passed their legislation via referendum in Washington – it was not actually legislation; they passed it via referendum – the State stores that sold liquor, they already had beer and wine in the private marketplace, but the liquor stores had to close on a certain date. When those stores closed, the media campaign in opposition to privatization was saying how prices were going to go through the roof; prices were going to escalate; there was not going to be any supply in the stores.

So what happened? What happened before the State stores stopped selling liquor was all the restaurants, all the individual consumers went and bought everything that was in the stores, but the liquor stores were not going to buy additional product because they knew they would be going out of business in a month or so. So of course, their shelves were going to be empty. Why did not the private sector then fill that void; why? Because those that were opposed to selling the State store system filed a lawsuit trying to overturn what had happened. Well, is the private sector going to come in and invest millions of dollars in a system that may be thrown out by the courts? I say, no, they would not do that.

So who was left to sell liquor in that short timeframe? Those that were already selling wine and beer, that would be the grocery stores. The grocery stores, we all know, are not necessarily always the best at doing prices, particularly when there is no competition from those that are experts in this business. So the prices did go up a little bit there. And because the supply was down, there was some border bleed. But what has happened since then? What has happened since the private sector has interjected itself into Washington State? Phenomenal things have happened.

We have learned by that, we have learned that what we are going to do is gradually phase out our system. We are going to have a system where our stores remain open. We continue to develop or receive that revenue. As they become unprofitable, their store shelves will reduce their inventory, but at the same time, the private sector will rise to meet the demands. The revenue will continue to be there. I think we have done it the right way.

For the first time in Pennsylvania history, for the first time in Pennsylvania history, when you go to purchase a bottle of wine at a grocery store, you will be carded. For those of us that are older, we like that idea. You do not get carded when you go to a

State store system, State store. Beer being sold at many of our grocery stores right now, some of the grocery stores in the private sector have 100 percent ID system.

We were challenged earlier to ask our conscience how should we vote. How should we vote, ask our conscience. Ask your conscience these two questions; Representative from Lancaster County raised this earlier: Should we as the enforcer of the liquor laws in Pennsylvania also be marketing vodka on Mother's Day? Should we be doing that? Ask your conscience that. Is that hypocritical? What does your conscience say to you – what does your conscience say to you as the monopoly buyer? The monopoly buyer of a product in Pennsylvania, the myth is that we go out and we have this huge volume discount that we are getting. But where is the discount going? Ask your conscience that. If our consumers are going across the border to buy product because it is less expensive in another State, where is that consumer discount going? It is not going to the consumer. I make the case that it is going to overhead, it is going to perks, it is going to benefits. I make the case that the millions of Pennsylvanians need to see the benefits. We need to start thinking about our constituents, our consumers.

The reason over the years that our e-mail boxes are not lighting up over this issue is because we hear it every day back in the district. It is a no-brainer for our consumers. If they were here, they would have voted on this 79 years ago. But because of the process that we have here in trying to juggle the interests of all the licensees, we have a challenge politically over the years to make these tough decisions, and I think I am really happy that we are going to make that tough decision today.

You know, last session we had a bill to privatize and it failed. This session I had the opportunity to have the beer distributors and their representatives come into my office, and I am sure they did in many of the other members of the Liquor Committee, and they said, you know, we fought this last time and we were successful in defeating this legislation, but we realize now, we realize that if the current system does not change, we are going to be out of business because every grocery store will be selling beer. They found a way around that. Now recently the convenience stores found their way around working within the current system to sell beer to further put our beer distributors out of business.

So we worked with them closely and we said, "Well, what do you need? Give us a list of what you would like to see." We would like to see, we would like to have the ability to sell six-packs. There is a beer distributor near Harrisburg that sells a case of beer that ranges anywhere from \$70 to \$90 for one case of beer, and he said, "You know, the customer that comes in and sees that price tag, he does not want to spend that, and maybe he does not like it, but you know, he would pay for a six-pack to try that and then maybe come back and buy the beer. We want the opportunity to be able to sell a six-pack. That is in this legislation to help the beer distributors, those small businesses, who, by the way, can only own five of these licenses, so this theory that big business is going to come in and gobble everything up is just ludicrous. We have specifically put that protection in this legislation.

What else did the beer distributors want? They wanted a licensing fee that was reasonable. That is why this fee is where it is. Grocery stores have to pay a heck of lot more just for a wine license. They wanted installments. We put this in there for them. That is why it is here. That is why we are in the so-called banking business, because the beer distributors asked for that.

Beer distributors wanted to be the only outlet for liquor, the only outlet for liquor. This is in there. This is like Ragu, is it not? They are the only outlet for the sale of liquor, unlimited sale of liquor, under this legislation.

When we got back from Washington, I mentioned to one of the beer distributors that one of the stores in Washington had a growler stand, and they said, "Oh my, if we had that, I would make so much money. I would get rid of all my cigarettes and I would sell growlers. I would make so much money." Well, that is in this bill; that is in this bill. Yet this week we got a letter from them that said, "Oh, we cannot support this legislation." And I think I finally figured it out. They want to be the only outlet to sell alcohol and beer in the entire State of Pennsylvania. They do not want restaurants to sell anything. They do not want taverns to sell anything. They do not want clubs to sell anything. They just want to be the sole outlet. That is the only thing that is going to make them happy.

Well, that is not the way this committee works, that is not the way this process works. It is a lot like playing Whac-A-Mole at Chuck E. Cheese. Boom, boom, you hit one and another one pops up. Well, I think today we finally got them all hit, and we are going to be able to pass this bill out of the House and we are going to get it to the Senate for some further discussions.

There are some things that are not in this legislation that I would like to have seen. I can look at a lot of these faces out there and I know the debate that went on earlier in committee and in meetings that we have had. There are a lot of other things you would have liked to have seen in there as well, but this is part of a compromise. This is an exciting compromise for your constituents. This is an exciting compromise for you as legislators that are going to be able to make a historic vote; a historic vote to change the lives of Pennsylvanians, to open up private-sector jobs – we have not even talked about that. I am sorry. I forgot all about that.

In Washington State, wholesale jobs alone, in a State that is a third of our size, I believe, 700 wholesale jobs, good-paying wholesale jobs. All of these retail outlets, restaurants in Pennsylvania, beer distributors, are going to have their product delivered to them, unlike today where they have to go to the State store and pick it up. It is going to be delivered – imagine that service – delivered to them. We are going to have a lot more variety come into Pennsylvania to further drive down the cost of product.

This is so exciting for Pennsylvania, and I was honored to be on the committee. I want to thank my chairman again for his excellent job in navigating this process, and I urge all the members to vote "yes" for 790. Thank you.

### FILMING PERMISSION

The SPEAKER. The Speaker gives permission for media access to the floor to Natalie Cake of Roxbury News for still photos for approximately 10 minutes.

### CONSIDERATION OF HB 790 CONTINUED

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

On that question, the Speaker recognizes the lady from Philadelphia County, Mrs. Parker.

Mrs. PARKER. Thank you, Mr. Speaker.

Mr. Speaker, I rise in opposition to HB 790, and I do so for several reasons. However, I just want to focus on two of them from a local perspective, since both of the gentlemen from Bucks County on the other side of the aisle eloquently and passionately outlined many of my arguments in their remarks, and I do want to say thank you to both of those gentlemen for the record.

First, Mr. Speaker, I want to talk about the possibility of oversaturation in Philadelphia. Currently, Mr. Speaker, Philadelphia has the second largest number of wine and spirits stores in the Commonwealth. We have 52 stores; we are only second to Allegheny County, which has 74. Under this bill, Mr. Speaker, the 124 current beer distributors in Philadelphia have first rights to purchase one of the initial 1,200 licenses to sell wine and/or spirits. So if they all decided, Mr. Speaker, to purchase these licenses, this would more than double the number of establishments selling wine and/or spirits in Philadelphia.

In addition, Mr. Speaker, we have 101 grocery store licenses in Philadelphia, and if they all decided to purchase licenses to sell wine, that would equal 225 establishments licensed to sell wine and/or spirits in Philadelphia outside of those already empowered to do so, restaurants and bars, etc. So, Mr. Speaker, it is possible that Philadelphia can go from having 52 wine and spirits stores to 225 establishments selling wine and/or spirits.

And, Mr. Speaker, once the existing 600 wine and spirits stores are closed, the LCB can determine if up to 600 more licenses are needed across our Commonwealth. Does that mean, Mr. Speaker, as one of my constituents asked me today, that the 253 chain stores that are most frequently seen in Philadelphia neighborhoods like 7-Eleven, Walmart, Wawa, Target, CVS, Rite Aid, and Walgreens, that are currently over 10,000 square feet and sell food, could they possibly purchase one of these licenses to sell wine and/or spirits?

And, Mr. Speaker, what about the Stop-N-Gos that already own "R" licenses in Philadelphia? Are we looking at a situation where we could see an establishment selling bottles of wine and/or open bottles of spirits on every corner in our city, especially in the most socially and economically distressed communities?

And finally, Mr. Speaker, let us talk about the human cost of jobs – 4500 family and self-sustaining jobs that help people become self-sufficient and less dependent on government to sustain their quality of life. I do not see how, Mr. Speaker, we can view this as a wise or prudent public policy decision when we here in our Commonwealth just established a resource manufacturing tax credit estimated to be valued at \$66 million per year for 25 years, totaling \$1.65 billion to create— In order to be eligible to receive one of these credits, Mr. Speaker, you have to create 2,500 construction jobs and only 400 to 600 permanent jobs. But we, Mr. Speaker, in passage of this bill are about to toss out 4,500 State jobs down the tubes, eliminating 4,500 active contributors to our pension fund, taking health care away from 4,500 people who may be forced to get on the waiting list for health care when we just threw 42,000 people off of adultBasic last year, 4500 people who could be relying on our already overburdened Unemployment Compensation Fund – where the unemployment rate in our State is above the national average at 8.2 percent and 11.4 percent in Philadelphia.



Mr. Speaker, we should vote "no." This bill is based on geometric if-then statements. The revenue projections are based on assumptions with too many unknowns in the equation, and I ask my colleagues on both sides of the aisle to vote "no."

Thank you, Mr. Speaker.

### LEAVE OF ABSENCE

The SPEAKER. The Speaker returns to leaves of absence and recognizes the minority whip, who requests a leave of absence for the gentleman, Mr. WHEATLEY, from Allegheny County for the remainder of the day. Without objection, the leave will be granted.

### LEAVE OF ABSENCE CANCELED

The SPEAKER. Additionally, we recognize the presence on the floor of the lady from Delaware County, Mrs. Davidson. Her name will be added back to the master roll call.

### CONSIDERATION OF HB 790 CONTINUED

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

On that question, the Speaker recognizes the gentleman from Snyder County, Mr. Fred Keller.

Mr. F. KELLER. Thank you, Mr. Speaker.

I rise in support of HB 790. This afternoon as the debate has continued, the opponents of this bill have thrown everything at this but the kitchen sink, and all I can think of is something that our 40th President would have said, "Well, there you go again." We have heard things from selection to the moral right, to pricing, to jobs.

There are many things contained in this bill, but the one thing I want to say is, it is not State government's job to be in the sale of liquor. Private industry should be in the business of delivering goods and services that are legal for people to consume in this Commonwealth, people that are over 21. Let me repeat that: These are items that are legal for people that are over 21 years of age in this Commonwealth to purchase and consume. I do not drink, but this is the perspective I come from in listening to my constituents. We heard about selling liquor and allowing them to cap the bottle and take it with them. I certainly think that is better than somebody purchasing the bottle and saying, "You know what, I better drink the whole thing because I bought it." You talk about binge drinking; that is something that could happen.

Somebody that goes into the distributor does not want to purchase the entire case of beer; they would sooner purchase a six-pack. This bill allows them to do that. I would say that they probably would not sell as many cases of beer then.

So there are many things and distractions that have happened in this bill, but when it comes right down to it, we are not privatizing the enforcement of wine, spirits, and beer in the Commonwealth. We are actually strengthening those things. What we are doing is we are taking something and we are privatizing the sale of a good and service. And I think it is a dangerous slope that we get on when we say government must control and sell items that are legal to purchase and consume. Where will it end? Should we take over cigarettes? It is just so many things that we should not be in that business. Private

industry handles marketing and sale of goods and services.

We brought in the question of searching our conscience, and somebody mentioned about Christians. Well, I will have to say about that, hi, my name is Fred and I am a Christian, and I support this bill because there is a conflict with people that disagree with this. I talked to my pastors and I said to them, "If you were going to start a business tomorrow, would you open a store that sold beer, wine, and spirits?" And they said, "no." I said, "You are in that business every day of the week." As a citizen of this Commonwealth, you are in that business every day, and I do not want to be in that business. If people choose to be in that business, that is their right. We live in the United States of America. So looking at those things, I think those are very good reasons why we should not.

Another thing I look at is business, and we talk about how much money the PLCB makes and how well they are run. We give them credit for all this money that is put into the General Fund. Well, that would be like giving the Secretary of Revenue all the credit for collecting tax revenue in the Commonwealth. The PLCB, it is not their money; it is the people who are purchasing those goods and services money. And we will still be collecting the tax revenue on these goods and services.

Finally, looking at the business model of the PLCB, and I am reading from a report, "Commonwealth of Pennsylvania Liquor Control Board, State Stores and Liquor License Funds, Notes to Financial Statements," it was from the period of June 2008 to June 30, 2009, and they did a restatement of assets, and it says in here, "In addition" – when they switched over to their new accounting system that year – it says, "a complete fixed asset inventory was conducted to facilitate the conversion of fixed asset data into the PLCB's new financial accounting system. This resulted in a further reduction of fixed assets totaling..." \$3.7 million. Now, I have to question, if you cannot manage a fixed asset, what else can you not manage?

Somebody mentioned the Farm Bureau luncheon over here where the Governor spoke the other day. I was there and I had a farmer sitting next to me, and he said, "Fred, what do you think of this bill?" And we talked about it and I got down to this, and I said, "Bobby," I read that to him, and I said, "You know what, that is the equivalent of you losing your combine." He would be out of business. I think it is time that we turned the portion of this business that should belong to the private sector over to the private sector and we focus on the management of enforcement, which is our role as State government. To be handling both ends of this argument, as far as, do we sell it and then enforce it, to me, is the same example as buying cancer insurance from a tobacco company; there is a definite conflict of interest, and I ask that the members of this General Assembly support HB 790.

Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Philadelphia County, Mr. Jordan Harris.

Mr. J. HARRIS. Mr. Speaker, today I rise to oppose HB 790. As one great lawmaker who once sat in this chamber said, "While I may be new to this chamber of government, I am not new to serving people." And today, Mr. Speaker, is a sad day of disservice to the great people of this Commonwealth.

In a day and time where our current unemployment rate is around 7.9 percent and in some counties across this very Commonwealth, the unemployment rate is around 12 percent, we stand here poised and ready to give 4500 of our



Commonwealth's workers a pink slip. We stand here ready to turn to thousands of our faithful civil servants and tell them that their services are no longer needed. Mr. Speaker, we stand here ready to take away from a mother the ability to feed and pay for her child. We stand here poised to take away from a father the ability for him to take his paycheck home and care for his family. Mr. Speaker, we stand here today ready to push our collective buttons and raise our very own unemployment rate.

Mr. Speaker, we have heard in this very chamber time and time again, the families will be fine. We have heard that they will get three points on a civil service exam. We have heard that they will be given small amounts of money to go back to school. We have heard that they will be hired by the private sector. Well, Mr. Speaker, I submit to you that these statements are misleading, and frankly, they are just disingenuous.

In this climate today, finding a job is not a simple process; most folks get discouraged because it is not easy. What is disheartening is that in this very chamber that we sit, where it is our job to protect the people, we speak so very cavalier about the job market and the ability of those soon to be unemployed to find employment. We are not talking about doctors who can just go to the next hospital. We are not talking about lawyers that can just find a new law firm. We are talking about people who over time have acquired a skill that they are good at. Additionally, if we are going to be honest with ourselves, we know that these workers will not be able to find a job that is giving them the type of wages that we are giving them now in the private sector. We know that they will not have the health insurance that they so desperately need, not just for themselves but for their families.

Mr. Speaker, I cannot and I will not betray our hardworking citizens of the wine and spirits stores. They did not do anything but go to work and turn a profit for this Commonwealth. Mr. Speaker, not only is this legislation putting thousands of Pennsylvanians out of work, but, Mr. Speaker, frankly it is just a bad bill.

The Liquor Control Board does not cost us money. Actually, Mr. Speaker, they turn over money every year to this Commonwealth. Mr. Speaker, over these last few days, we have heard debates about this, but far too often the answer to many of our questions has been, "We do not know." Will the State be able to sell all of their liquor licenses and generate the estimated \$1 billion? We do not know. Will this put many of our small businesses out of work? We do not know. How much money will actually be generated from this quote, unquote, "growth" in liquor consumption? Well, Mr. Speaker, we do not know. I submit to you that is too much of not knowing for us to push the green button to support HB 790.

Mr. Speaker, one thing that we do know is that this will increase the number of outlets that folks can buy alcohol, and while that is good for some, my neighbors are concerned about enforcement. And while this bill increases the number of licenses and points of purchase, what it does not increase is funding to enforce our laws with regards to the liquor that is going to be sold in our Commonwealth. What about that young person that is going to be able to go to the grocery store, use somebody else's ID – and yes, we did an amendment yesterday about wine, but what about the hard liquor? What about the spirits that they will be able to buy by using somebody else's license and go into the checkout line?

Mr. Speaker, it was Governor Pinchot, right here in the Commonwealth of Pennsylvania – a Republican, I might add –

who said that alcohol consumption in the State of Pennsylvania should be tolerated but it should not be encouraged. Imagine what this great Commonwealth's city streets will look like on the day that we begin to sell hard liquor in the same places that we sell infant formula. We have made a startling choice in HB 790. We have made a safe choice by keeping liquor in control of our trusted employees here in the Commonwealth. Mr. Speaker, we are today picking the convenience of some over the good of all.

Mr. Speaker, I am a big admirer of the work of Dr. Martin Luther King, and while a lot of people talk about Dr. King in the context of civil rights, what a lot of people do not understand is Dr. King did not just fight for civil rights; Dr. King actually fought for the poor, the downtrodden. He fought for those living in poverty. It was actually when Dr. King was killed that he was marching for sanitation workers and for their rights, for them to be treated like fair workers. Mr. Speaker, the March on Washington was actually called the March on Washington for Jobs and Freedom, and it is something that I try to live my life by, that Dr. King once said. Dr. King said, "...cowardice asks the question, is it safe? Expediency asks the question, is it politic? Vanity asks the question, is it popular? But conscience asks the question, is it right? And there comes a time..." in a person's life when they "...must take a position that is neither safe, nor politic, nor popular, but..." they must take it because their conscience is telling them that it is right.

And today, Mr. Speaker, I ask my colleagues that sit in this great chamber, as we sit in our seats in comfort, as we look to push these buttons, please do not push a button that is going to take food out of the mouths of our children of this Commonwealth. Do the right thing. Do what your conscience is telling you that is right, and that is to vote "no" on HB 790.

Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Bucks County, Mr. Petri.

Mr. PETRI. Thank you, Mr. Speaker.

Well, I guess it has been a long debate, Mr. Speaker, and we are at a critical point and we have to make decisions. None of these decisions, Mr. Speaker, are easy.

What we have attempted to do over the last 2 years under Chairman Taylor is to hold a series of hearings where we have discussed the various issues that are contained in this bill, and I have to tell you as one member of the Liquor Committee, I never thought that anyone would be able to package all the different interests into one bill that could act as a compromise. Quite frankly, I would have thought we would have had to go into individual issues and deal with wine in one bill, modernization in another, privatization in another bill, yet another bill, and so on and so on.

This bill has some things that I think are favorable. It has certainly moved a tremendous amount, and what I want to say today, Mr. Speaker, for me and for the colleagues whom I am proud to serve with, Republican and Democrat in Bucks County, contrary to some assertions by people who have no idea what they are talking about, this is really about protecting small business. And what is particularly disturbing to me, Mr. Speaker, are the number of people who would mischaracterize a position so that if you were naturally against this measure, for instance, that you would have to be for one group and against another.

So to set the record straight, I believe that we have gone about as far as we can go for the moment in trying to protect some of our existing licensees to make sure that they have access to an opportunity. Many of them have been planning and thinking that something might occur, and many have said, oh, nothing will ever occur. Well, for those businesses that hold licenses, it is now time to start doing some critical thinking about what you want to do. And if you are a beer distributor and you want to remain a beer distributor, you have that option under this bill, but you also have other options and all of them should be considered, Mr. Speaker.

With regard to protection of public health and safety, there will certainly be added cost. There is no question. And we will need to deal with those, Mr. Speaker, in the budget process, which we certainly will do. With regard to enforcement, we will certainly have to deal with those issues in subsequent bills and measures. But, Mr. Speaker, in the end, I think the most difficult part in coming to logical solutions was not the lack of hearings, it was not the lack of attempt of members to learn the important information, but quite frankly, it was the PLCB administration itself – not the workers, not the workers, but the administration.

You know, Mr. Speaker, it came as a shock to me when we had Appropriations hearings and I asked for a copy of the survey by the PLCB of what consumers, that they served, wanted by way of convenience, and their answer was, there was no such survey. How in the world can you run a business that serves people and not know for certain what they want? Mr. Speaker, that is not the fault of the workers who work in these facilities, many of whom have personal relationships with our customers. This is the fault of those who run the business. Ultimately, you might argue that it is the fault of the commissioners and the like and who appoints them and etc. and etc. So there is plenty of blame.

The other tremendous disappointment that came up in the hearing was – during the Appropriations hearing, there was a question about what approach the PLCB would recommend if it was the will of this General Assembly to no longer be in the business of selling liquor, and the answer we received was that they had not been asked. Now, that was the testimony. I must say as one member I do not know that I believed that entirely, but it is very difficult – and I think our Appropriations staff this morning did a phenomenal job in trying to identify what the economic impact of this proposed legislation would be, but they did it without the help of the PLCB.

Mr. Speaker, when this matter goes over to the Senate, I am sure there is going to be a considerable discussion about the economic impact, and I certainly want to encourage the Senate, particularly, to look at the cost and the benefits of retaining a wholesale system versus not. And when the bill comes back, we are going to have an opportunity, Mr. Speaker, to debate that issue again. We are also going to have the opportunity to debate retail issues.

Lastly, Mr. Speaker, I want to talk a little bit about the process for the constituency I represent. You know, Mr. Speaker, it is disturbing that for the last 3 or 4 weeks, there are certain individuals who will not identify themselves who have been calling into my district, and maybe some of yours as well. And while that is fine and that is an appropriate form of lobbying, this one group, or maybe it is multiple groups, did not identify who they were, and instead, switched the caller to my

district office. So to my constituents who wanted to talk to me about this issue, I am glad for your communication; I am sorry, though, that you were confused by someone.

And I know some people may think that I am talking about a particular group that is in the balcony right now, but that is actually not the group I am referring to, Mr. Speaker. I am talking about the group that was trying to tell my constituencies that if you were against this measure, you were absolutely against small business, and we know in Bucks County that was not our concern, and we made that clear point after point.

So those folks, what I would tell the legislature is, if this is going to be the way that constituencies are going to be contacted in our communities and lobbied, that is fine, but you know what? The next time one of my constituents gets a call from a group that will not identify themselves, I hope they either demand to know who they are and how they receive their funds; who is really backing, Mr. Speaker, the misinformation that is put out – and we have all seen them, because maybe some of your names, like mine, have been mentioned in certain blogs. Well, for you bloggers, my vote today is a "yes," but it has nothing, absolutely nothing to do with your attempts to bully me. It is the process. We come into Harrisburg and we all represent our constituencies and we fight like mad for our constituencies, but when you get to this point and the majority will has been established, Mr. Speaker, that is the constitutional process of compromise and that is the process of trying to recognize what people want.

Finally, Mr. Speaker, I think members on both sides of this aisle understand that consumers want more convenience, and they are going to get more convenience one way or another. Let us see what the Senate does with this measure. There are a couple tweaks that need to be done, and, Chairman Taylor, kudos to you for being able to at least put together a proposal that, while it may not make many people happy, in fact, it may not make anybody perfectly happy, it certainly balances as many issues in this industry as we could address.

Remember one thing as we close, Mr. Speaker, and finally, we probably would have chosen a different way to end Prohibition than what was chosen, but we are trying to deal with what we were given. Thank you.

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

On that question, the Speaker recognizes the gentleman from Allegheny County, Mr. Gaaney.

Mr. GAANEY. Thank you, Mr. Speaker.

I want to urge my colleagues on both sides of the aisle to vote "no" on HB 790. See, there are a lot of times in situations like that, we get a lot of rhetoric. We get a lot of things that we hear that are not necessarily true, like I hear a term that the liquor stores are prehistoric, outdated, historic, and we do not need them anymore. I have never seen an outdated system that did not make money. As long as we have got a system in place that allows us to make money for the Commonwealth, we should modernize it and not privatize it.

We have got to look in terms of research and development how we move forward. What report can we vote for that shows us nothing about how we replace the money we are about to lose? But you ask us to call for a blind vote with no information about how we make up money for our district. We have got a responsibility and we make the difference. We make the difference right now. We can decide to be about the kids and

give the benefit to the liquor store system for making sure that we rank seventh in terms of underage drinking; that is an accomplishment. We know with free enterprise that if we give it up, they will have all types of drinking parties. We know that. All we have got to do is look around. We know the homicide rate. We know our State stores are some of the safest. We know that, and we should be working to improve that.

And let me be honest to my Republican colleagues, as we heard, the Senate said they will not approve it. So now you can vote your belief and not your ideal. See, the belief is, most of you all do not believe in this bill. Most of you all do not want it, but you have voted your ideals. Now that we know – please hear me – now that we know that the Senate will not take it, you do not have to vote for your ideals. Vote the real; vote your conscience. Do not be held hostage to something that may not happen. Make sure we are doing what is right for this Commonwealth.

And to my union brothers, listen to me: Keep arguing, keep fighting, but let us start to target. See, some of you all, some of you all, some of you all live in districts where you know how much of the vote you influence.

The SPEAKER. The gentleman will suspend. The gentleman will suspend. The gentleman will suspend.

Mr. GAINEY. I apologize, Mr. Speaker.

The SPEAKER. I would remind you— The gentleman will suspend.

I would remind you that you are, all members, are to address their remarks to the Speaker, and that we would prefer to keep the decorum in the House—

Mr. GAINEY. Okay.

The SPEAKER. —at a calm.

Mr. GAINEY. Let me apologize, Mr. Speaker.

The SPEAKER. The Speaker thanks you.

Mr. GAINEY. And I will close with this: If you know where you are at and you know where your members are at, you know who represents you, target that, send them back, and we will keep moving.

God bless.

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

On that question, the Speaker recognizes the gentleman from Chester County, Mr. Kampf.

Mr. KAMPF. Thank you, Mr. Speaker.

You know, Mr. Speaker, I think it is important to talk about change for a second, and I think there are a lot of eyes both here in Pennsylvania and all around the country watching Pennsylvania. You know, my belief is that people in my district and yours and all around the country wonder whether Pennsylvania is actually capable of change and they point to this system. You heard earlier, we are one of only two States left that do it this way, that control it all. Are all of the other 48 States wrong? Of course not. We are yet again one of the last States capable of moving forward.

I heard my good friend, the gentleman, the chairman from Bucks County, state that if we did this, if we actually privatized the system, that somehow the social fabric here in our State would, you know, be torn asunder. Has that happened in the other 48 States where there is no control? Of course not. We all know that to be the case. Those are important issues, but they are not issues that are tied up with whether you control or do not control the sale of wine and spirits. And I heard my good friend, the gentleman from Philadelphia, the minority chairman of the

Labor Committee say that, you know, we have these good family-sustaining, public-sector jobs and we have got to keep them. And I ask you this: When a government makes a decision, let us say, to nationalize defense or to nationalize the oil industry or to nationalize farming or to nationalize banking, and that is a mistake or maybe the reason for the nationalization goes away because the war has ended, does the government forevermore have to continue to employ those people and do that public-sector work even if the reason has long ago disappeared? The answer is obviously no.

A government must have the ability to make changes, to get with the program, and to keep up with the times and with its people. And I am privileged as one member from the 157th District to be able to actually stand here before you, the outcome not yet known, and debate this issue that, I believe, for probably going on 40 years in my district, people have scratched their heads and said, "What on earth is the State doing in this business? Get out of it. The private sector can do it." And I am sure the Representatives who stood in this seat before me always wanted this opportunity, but it was only today that we got to the point, after, I think, 80 years, where we could actually seriously debate this issue. And there are people in this room, I think we know who they are, who have worked tirelessly on this for going on 10 years to make it happen. So I feel privileged and I am absolutely grateful to all of those who have done this to get us to this point.

Finally, let me just say this: I think that we need to do this so that we treat our citizens, our constituents, like they are adults. You know what, God forbid an individual in Pennsylvania would be able to go into one store and buy beer and wine and liquor. What do you know, the Earth would come to a halt if we allowed that to happen. How about this, you could actually go into one of those stores and buy a six-pack instead of a case. Oh my gosh, could you imagine that we would give that kind of freedom of choice to individuals in this State? Wow.

And finally, how about this, when you go to the grocery store and you buy, say, lettuce or paper towels or frosted flakes, now you cannot yet under this legislation purchase beer unless there is an "R" license, but you might actually be able to pick up a bottle of wine.

I support this legislation because I think once and for all, it starts treating Pennsylvanians like the adults that they are.

Thank you very much.

## REMARKS SUBMITTED FOR THE RECORD

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

On that question, the Speaker recognizes the gentleman from Montgomery County, Mr. Stephens.

Mr. STEPHENS. Thank you, Mr. Speaker.

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

The SPEAKER. The Speaker thanks the gentleman.

Deliver them to the clerk, and they will be noted in the record.

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

Mr. Speaker, I will be voting for HB 790 today but it is not without reservation. While I applaud the bill's goal of providing greater convenience for our consumers, I have concerns about the imbalance the bill strikes between new entrants into the beer, liquor, and wine



business and those private-sector entities currently in the business. Specifically, I take issue with the cost for wine-to-go permits for "R" licensees versus the cost for retail distributors to sell wine; the number of bottles of wine the wine-to-go permits and grocery licenses allow; and the cap-and-carry provision permitting patrons to take spirits from "R" licensees for off-premise consumption, provided the patron consumes some of the spirits first.

There are many good components of the 194-page bill that outweigh the negative aspects, and yesterday we adopted amendments to help address some of my concerns, but to be clear, I still have some concerns with the bill. I do, however, recognize that this bill is merely the first step in what is sure to be a lengthy and involved legislative process where there will be additional opportunities to address these issues. I know that to provide consumers the greater convenience they desire, we must move this bill forward to the Senate for their consideration.

I respectfully urge the Senate to carefully consider the points I raise here and to include all stakeholders in the discussions on this issue as they work to move Pennsylvania forward from Prohibition-era liquor policies.

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

On that question, the Speaker recognizes the gentleman from Philadelphia County, Mr. Waters.

Mr. WATERS. Thank you, Mr. Speaker.

Mr. Speaker, I would like to speak about HB 790. Even though I know that it will be convenient to submit my comments to the record, I believe that this issue is just too important for me not to speak about how I feel about this bill and the social implications that I know we will experience once we expand the accessibility of spirits and wine.

I come from Philadelphia, a place where we have very – we have some serious quality-of-life issues, and it surrounds the ability of some stores to sell beer, malt liquor, and what they call coolers, because they cannot call a product wine based on the type of license that they have.

The system that we have right now is, with the wine and spirits stores, I have never come across one of those stores and seen protesters outside saying, "Close this establishment down. Close this store down." Because of the fine work of the people who work there and the quality of education that they have received and been trained to be able to help customers when they come inside the store, they know how to give a person a product that they are looking for, even if the customer does not know exactly what they are looking for. Why would we want to punish people who have provided such a great quality of service to us?

And I hear some people saying, "Why should we still be in this business?" Well, if it is something that is working and it does not cost the taxpayers any money – and we have already established that – the service that the hardworking people who work there are providing and the help that they give us, the safety net that is in place to make sure that the people who come to the store who are visibly intoxicated or underage and they stop selling the product at the right time. The store hours are clearly noted and you cannot go inside one of those establishments because those stores are not motivated by profit; they are not motivated by the bottom line. Those workers will not put their jobs on the line and that State store or that wine and spirits store at risk to sell something after hours or to a visibly intoxicated person.

However, we do have establishments in our community right now that will do that and they do that, and we have had protesters who stand in front of those stores. We have protesters

that stand in front of those stores because the hardworking people who have a vested interest in their neighborhoods, who feel as though they cannot walk past those establishments without being exposed to foul language, visibly intoxicated people, and then we have folks who, because they cannot take time to go home to relieve themselves, relieve themselves on other people's property.

There is no way in the world that I as a Philadelphian and as a right-minded person would want to support anything that is going to expand that kind of conduct in my area. The people in the district that I represent do not want to see these nuisance establishments with more authority to sell a product that has caused hardship in our community. Why should we as a State take away the regulatory powers that we have in place and deregulate the service that has been a proven and effective way of providing this product to the law-abiding citizens of our Commonwealth; to the law-abiding citizens of our Commonwealth, not underage drinking, not people who are visibly intoxicated, but people who have demonstrated and have proven that they are responsible enough to get the product?

When we talk about Washington State, I know people have said, well, Washington State improved the quality after they first messed up in the beginning or did not have their facts together in the beginning. Well, let me tell you a little bit about what also is happening in Washington State. Washington State, since they privatized to sell alcohol, the amount of people who are getting arrested for robberies is up 42 percent; burglaries are up 40 percent; juvenile arrests are up 21 percent; domestic violence, something that we have stood up against here many, many times before, is up 13 percent; and DUIs are up 10 percent. Why would we want to allow our numbers to increase when it comes down to these quality-of-life issues?

We also have to be aware of the advertisement that will take place as a result of this. We have time and time again made sure that people who want to advertise do not advertise around schools, do not advertise around day-care centers. I guarantee you – and we made sure that they were careful about their point-of-entry advertisement too – I guarantee you, when this becomes a free market and competition is high, all of those rules and regulations are going to be out the window. They will have advertising around our elementary schools because they want to get their name out there about where to go and get this product. We will have people who are more interested in profit than they are about quality of life and community, advertising because they know that the bigger they advertise, the likelihood their profits will increase.

Five thousand people who are gainfully employed – and you like to play with that number, but whatever that number is, it is between four and five thousand people and their families who depend on them, who are gainfully employed to provide the service that they had been loyally providing for us, the people of Pennsylvania – are now looking at being in the line or making that phone call to the Unemployment Compensation Bureau. Why are we punishing these people for doing a good job? Why are we going after these people for doing a loyal job? Why do we want to harm these people for doing a loyal job? They are not going to be able to find a job equal to the one that they have right now in this same market.

We talk about give these people three points on a civil service examination. Well, guess what? They do not have 4,000 jobs in the civil service area right now. So let us not fool



them or let us not fool anybody else as to why there will be no harm done. There are no jobs like that. As a matter of fact, this State has had a hiring freeze. They are not going to find a job to be able to go out there and get gainful employment. These people have mortgages to pay, they have car notes to pay, they have families to feed, and some of them are probably sending their children to school to get a quality education. You want to take that from them? You want to harm these people who have done nothing wrong?

When did we get into the business as legislators to punish people for doing the right thing? When did we get to become as legislators to use our authority to go after a service that is working, that has proven results? Why would we want to deregulate? We have seen what happens when we deregulate. We saw it in Washington, DC. It is probably the cause of the recession that we have been suffering in right now; deregulation. I think that Pennsylvania is staying – has stayed as long as they have in this because they feel as though it is the safest way to operate. This is the smartest way to operate. And these same people who are working— This industry pays 100 percent of the taxes that are due to this Commonwealth, not 80 percent as some stores do, not 85 percent as some stores do. They pay 100 percent of the taxes due from the business that they generate inside of their stores. Why are we punishing these people?

Why do we as legislators feel as though because we have the ability and the authority and the votes on – not all of that side of the aisle, thank goodness. We do have some bipartisan cooperation here when it comes down to protecting these hardworking Pennsylvanians, and they are Pennsylvanians, to protect their families from not having to deal with the hardship of the breadwinner in the family now being forced out of work because of a measure that we have taken right here. There is no way in the world I could vote against those people. There is no way in the world I could vote against those children. There is no way in the world that I could vote against those families and those neighborhoods that will have to deal with the consequences of what we are trying to do right here in this General Assembly.

I just pray that if this bill does pass here – and it looks like it has a chance of passing – but I hope that your conscience will allow you to think about this as you cast your vote, and I hope your conscience will guide you towards the "no" button when 790 comes up for final passage. No is the right thing to say to this. I know there have been some people that say, oh, they are the "just say no" group. Well, this is the time to just say no. This is the time to say yes to working people; yes to breadwinners; yes to a system that is working and has not failed, and to stop the proliferation of something that is also known as a drug throughout our community.

I heard a lawmaker stand up earlier today and say his constituents have got to break the law to go buy wine and spirits in other places because our facilities are closed. I am sorry to hear he told on his constituents like that, because if we want to start legalizing and making it so that people do not have to break the law to buy what they want, then what else are we going to legalize here? There are other things that are illegal to do too. That means that we should legalize it so they will not be breaking the law? No. They should obey the law; that is what they ought to do, obey the law and go to our wine and spirits

stores that we have right here in our State and buy a product and keep these Pennsylvania people working; that is what they ought to do.

Buy the wine and spirits during the time of operations. Let us modernize. If you want to have later hours, we can talk about that, I do not have a problem with later hours, if you want to make it more competitive and you want to satisfy the customers, but do not, under any circumstances, put these people out of work. I have never heard one person say – and you might have asked the question the wrong way. You might have asked the question, "Are you willing to put people out of work for your convenience?" I bet you the question was not asked that way. "Are you willing to put people on the unemployment records for your convenience?" I bet you did not ask it that way. I bet you did not talk about how it is going to impact hardworking people. I bet you I have not heard you say that is the way you proposed your poll.

I would go to say, I would dare to say that the people probably would say, "We do not want to put people out of work just so we can have convenience to get high. I bet you have not heard anybody say that; that is a selfish position to take. And I bet the people of Pennsylvania are not that selfish. But I guarantee you, if you privatize this right here, this will come back to haunt you because you do not have enough enforcement right now to cover all these new establishments that you are talking about that will get a license. You do not have enough right now to cover all these places. So more than likely there is going to be hardship.

But on the other hand, I want to let you people know in the rural areas, because we are going to have so many liquor establishments in Philadelphia, when they cannot get their wine and spirits after you finally closed down those last 100 stores, they can drive to Philadelphia. We will have plenty of places for them to get liquor there, thanks to you and what you are trying to do right here. Please protect the people in your rural areas and keep those stores open in their neighborhoods too.

Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Butler County, Mr. Ellis.

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

I rise today obviously in support of HB 790 and would like to thank the chairmen on both sides for the diligence that we have had over the last several months putting this package together, and quite honestly, I think it is a fantastic product, but I also think that tonight is a fantastic night.

You know, in your career you will have three or four memorable votes. You will have a lot of votes, but some that are just going to stick out, and for me, I have been here for 8 years waiting to make this vote and I get to make it tonight. And I appreciate the debate on both sides. The new gentlemen from Allegheny County and Philadelphia County, the passion that you guys showed in your speeches was fantastic, but we disagree on the merits of the bill.

You know, I can stand here right now, Mr. Speaker, and say something like, this is going to generate \$5 billion worth of revenue, but that is a made-up number, but today we heard a lot of made-up numbers. We heard it was going to cost us \$2 billion, and then we heard \$170 million, then \$100 million. One of those numbers is probably right. It is not \$2 billion. So

my number is also false, but that is okay because we have heard a lot of other false things tonight too – that we do not know what the answers are. But we can talk about one real number that nobody mentioned.

A year ago at the hearing for the Liquor Committee on HB 11, the chairman of the LCB testified that they were proud of the accomplishments of the State stores and they were getting better. In fact, Mr. Speaker, they went from 54 percent approval to 74 percent approval from the customers; 74 percent, Mr. Speaker. That means that one out of every four people that goes to get alcoholic products from Pennsylvania is disappointed. Now, I come from the private sector and I am a third generation small businessman. In my business, if I have an employee who is only satisfying three out of every four customers, that person would not be an employee much longer.

We have also heard tonight that the big-box stores are going to be able to sell booze. Well, we know that is a flat-out lie. It is just not true. And the one that really drives me crazy, because I am from a beer distributor family, is this notion that we are going to drive the mom-and-pop beer distributors out of business. That is just factually false too.

Mr. Speaker, there is a commercial on TV right now from GEICO where there is a guy sitting with some little kids and he asks them, "What is better, two or one?" And the little girl goes, "Two." And he says, "Are you sure?" And she says, "Absolutely positive." Well, I am absolutely positive that this is a great thing for small beer distributors. In fact, in that commercial, there is another kid that does this wave thing where he shakes his head – Pyle does it pretty good too. I am sorry, Mr. Speaker; I should not have used the name of a colleague. Oh, it is AT&T; thank you very much. It is AT&T.

But that being said, two is better than one and three is better than two, which is better than one, and now we are giving the mom-and-pops the ability to be the one-stop shop and enhance their business. If they believe in themselves and they will reinvest, and we are giving them 4 years to pay for their investment, if they have the entrepreneurial spirit that made Pennsylvania great, they are going to grow and thrive, and if they do not want to do it and they do not have the ambition, they can sell their license for three times what it is worth. This is a great opportunity for small businesses. The restaurants benefit. The beer distributors benefit. This is an opportunity for us to get back to letting the private sector deliver the products to Pennsylvania.

Mr. Speaker, I had a bunch of calls, as most of my colleagues did and the gentleman from Bucks County mentioned also, from the 215 number. And then, turns out they were actually my constituents being rerouted to me, and every time they got on there, they were like, "Hey, vote against HB 790," and I said, "Why?" And most of them said, "Um, cause I was told to call you and I got connected." So I talked to them and I have been doing it for years talking to folks back home about how we can get out of the booze business. And most of them, when they understand what we are actually trying to do, not the stuff that has been proposed in the past, but the stuff that is in this legislation right here in front of us right now, most of them said, "Well, that seems really reasonable; that seems like something I should be for." And so I think what we have the responsibility to do here is debate like we did tonight, and we disagree all the time, but we have to be honest about what we are talking about.

This process, and I heard that we are rushing the process, the fact of the matter is, this process that we are going through is the most open and transparent process that this Commonwealth has ever seen thanks to the rules that we have implemented under the last few years. I am proud to say that I am going to be working – 3 years, sorry – I am proud to say that I am working on a piece of legislation that went through this process. I would have liked to have done it 8 years ago, Mr. Speaker, but I am going to have a chance tonight.

I know what the folks in Washington State went, because like my colleague from Allegheny County, I, too, took the time and my own expense and went to Washington, and I met with folks. And while a lot of the folks that were selling the alcohol were telling us what they thought, I was talking to the people that worked in the stores. I was talking to the people that were coming into the stores. It is a very positive experience. I think the numbers will bear it out in the future, that it is a very good opportunity for Washington State and we are going to have a similar opportunity here in Pennsylvania.

Mr. Speaker, I just want to close and say that I thank my colleagues for a great debate. It has been a night, and I told someone that while it might not have been that much fun now, I think history will remind us that these are the fun days when we get to get together and have an honest conversation and we move forward, and I am proud to be voting for HB 790 and I encourage my colleagues to do the same.

Thank you very much, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Lancaster County, Mr. Sturla.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, will the prime sponsor of the bill rise for brief interrogation?

The SPEAKER. The gentleman, Mr. Taylor, indicates he will stand for interrogation. You may proceed.

Mr. STURLA. Okay. The prime sponsor has declined?

The SPEAKER. The gentleman, Mr. Taylor, as chairman of the Liquor Committee, has been responding to most of the interrogation. If it is about the bill as amended, I believe he is the most appropriate to interrogate.

Mr. STURLA. Okay. Thank you, Mr. Speaker.

Mr. Speaker, under the bill that is before us, is an out-of-State business allowed to own one of the retail outlets?

Mr. TAYLOR. Many of our licensees now have corporate headquarters that are out of State; yes.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. TAYLOR. That exists currently.

Mr. STURLA. Are there any beer distributors that have out-of-State corporations currently?

Mr. TAYLOR. Not that I know of.

Mr. STURLA. But under this bill, anybody would be able to have an out-of-State corporation. Is that correct?

Mr. TAYLOR. Well, they can now. You asked me whether beer distributors now have it. I am not saying that they do not have the right to have it right now.

Mr. STURLA. Okay. Under this legislation, do we do anything in terms of— We had heard earlier that these entities would now be paying taxes. Is there anything that requires that they actually not have a Delaware holding company to avoid taxation in the State of Pennsylvania?

Mr. TAYLOR. No, but I am working on some other legislation that might provide that.

Mr. STURLA. Okay. But this bill right now would allow somebody to have a license with a corporation that was owned with a Delaware loophole holding company and not pay any taxes in the State of Pennsylvania. Is that correct?

Mr. TAYLOR. Yes.

Mr. STURLA. Mr. Speaker, under this legislation as I understand it, it says that liquor cannot be sold as a loss leader. Is that correct?

Mr. TAYLOR. Yes.

Mr. STURLA. Is it allowed to be sold at cost?

Mr. TAYLOR. Yes.

Mr. STURLA. Is the wholesaler allowed to sell it to the retailer as a loss leader?

Mr. TAYLOR. No.

Mr. STURLA. Are they allowed to sell it at cost?

Mr. TAYLOR. Yes.

Mr. STURLA. Is the distiller allowed to sell it to the wholesaler as a loss leader?

Mr. TAYLOR. No.

Mr. STURLA. Are they allowed to sell it at cost?

Mr. TAYLOR. Yes.

Mr. STURLA. So someone, say a big-box outlet that is able to go negotiate with distillers, if they said, "I want to buy a package of 10 of your different distilled spirits," do they have to delineate that 10 percent is being sold at cost and 10 percent is being sold at a loss? How is that controlled at the distillers?

Mr. TAYLOR. Well, first of all, a big box would not be able to negotiate with a distiller either under our current system or under this proposed system.

Mr. STURLA. And why would a big-box retailer not be able to go to a distiller and say, "My wholesaler will buy from you if you sell to them at this price"?

Mr. TAYLOR. So you are talking about the wholesaler is buying from the distiller; yes.

Mr. STURLA. Yes. But if I was a retailer, if I am a big-box retailer and I say to my wholesaler, "The only way that I buy from you as a wholesaler," since there is not one wholesaler anymore, there are multiple wholesalers, if I say to the three or four wholesalers that are bidding to me, "I will buy from you as long as you go negotiate a deal with the distiller to get me a better price than anybody else can. Will you do that?"—

Mr. TAYLOR. Keep in mind—

Mr. STURLA. —would they be allowed to do that?

Mr. TAYLOR. —there is no provision for big-box retailers that is not already in existence.

Mr. STURLA. Okay. But big-box retailers currently do not sell distilled spirits. So there is nothing in this bill that would prohibit a big-box retailer from going and saying to their wholesaler, "I need you to get me a better price than anybody else," and they in turn go to the distiller and say, "I need you to give me a better price than anybody else," and that from occurring. Is that correct?

Mr. TAYLOR. I think that would be in violation of the antitrust statutes.

Mr. STURLA. Well, why would it be in violation of the antitrust statutes? That is competition.

Mr. TAYLOR. You are rigging the prices; it is price-fixing.

Mr. STURLA. No, you are not fixing prices with your competitors. You are trying to get the best price. That happens every day in the private sector.

Mr. TAYLOR. You asked the question; I gave you an answer.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, I understand that under this legislation, in some of the licenses, you can go in and buy unlimited amount of bottles and others there is limited amount of bottles that you can buy, whether it is the number of beer bottles you can buy, the number of wine bottles you can buy. Is that correct?

Mr. TAYLOR. Yes.

Mr. STURLA. Is there any limit as to the number of times you can walk back in that store and buy those limited number of bottles?

Mr. TAYLOR. Mr. Speaker, is the gentleman asking me questions he obviously knows the answer to?

Mr. STURLA. Mr. Speaker, I do not know the answer to that.

Mr. TAYLOR. Yes, you do, but go ahead.

The SPEAKER. Gentlemen — both gentlemen, please suspend.

To restate the general ground rules, obviously you are not supposed to ask questions that you know the answer to. And secondly, the purpose for interrogation is to try to gain information; it is not to be argumentative. I would ask both gentlemen to focus on direct questions, direct answers.

Mr. STURLA. Thank you.

Mr. Speaker, as I understand it, under current law, people that are supposedly limited to two six-packs are not supposed to double sell to people, although I understand sometimes that is an occurrence, but I believe it is law that says they are not supposed to. What I am questioning is, under this bill, is there any Prohibition against somebody walking back into that store that has limited number of bottle sales from selling to somebody two or three or four times?

Mr. TAYLOR. There is no Prohibition now, and there is no Prohibition after this bill was passed.

Mr. STURLA. Okay. Then I was mistaken about the current law.

Mr. TAYLOR. Yes.

Mr. STURLA. Mr. Speaker, under this legislation, are there any liquor-free zones? As I understand it right now, if somebody wants to open a bar and they want to open it across the street from an elementary school, there is the ability for the municipality to weigh in and say, "You know, we don't think it should be across the street from the elementary school." Is there anything that prohibits anybody with a license from opening a liquor store near schools or near churches or those kinds of things?

Mr. TAYLOR. Yes.

Mr. STURLA. Where is that in the bill?

Mr. TAYLOR. It is really the same language as current law, if you want to see it.

Give us a second to find that actual page, Mr. Speaker.

Mr. STURLA. Mr. Speaker, I can save you some time. I was just told by my staff that it is in there. I had not had a chance to read all these pages in the last 2 days that we have had this, and so that is why I have been asking questions, and I honestly do not know the answer because I have not had time to read this legislation.

That concludes my questions, Mr. Speaker. If I could speak on the—

The SPEAKER. The gentleman is in order on the bill.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, I think we can all agree that any system, no matter how perfect we believe it might be, can be improved.

My late father was a product improvement engineer, and he improved balers for New Holland Machine Company. They were perfectly good, functioning machines that were under constant review for approval – improvement. And so no one, I believe, will argue that the current system we have could not be improved. There is always room for improvement. But this legislation is not the answer. In a lot of cases, it is an exercise in ideology versus common sense.

The citizens of Pennsylvania own the current system, and what they are being asked to do is divest themselves of that system at a loss, because every analysis that has been done of this shows that while there is an early infusion of cash – although everyone admits we do not know exactly what that number might be – that in the long run, there will most likely be, and if you look at the experience in other States that have done this, there will most certainly be a loss. It is like saying to somebody who has some stocks, take a quick sell today and then do not ever buy again because you are going to lose.

Mr. Speaker, there are a multitude of issues that have been addressed just in the last 24 hours while we have seen this amendment, and I will touch on a few of those.

Mr. Speaker, we have learned that if you are buying a license, the State will front you the money for it and let you pay off over 4 years. Now, we have talked about the fact that we think that currently the system has a conflict in that we are trying to promote alcohol – although I believe the State actually promotes the responsible use of alcohol, not the excessive use of alcohol, which I believe will be the case in the private sector – but we are going to loan money to businesses to buy these and then we are going to regulate them during that period while we have a loan to them. And I guess my question is, when that person violates the law, do we foreclose on them? Do we take a loss on our loan? Do we charge them a different rate? Do we give them 30 days' notice? What do we do? And we are not sure because this bill does not really address that.

Mr. Speaker, it was stated that there were hearings about liquor privatization in the Democratic Policy Committee in the last 3 years. Well, I am the chair of the Democratic Policy Committee, and we have had hearings about liquor privatization, but never once have we had a hearing about this legislation that is before us, not once; neither did the Liquor Control Committee, neither did any other entity in this legislature. Zero. None. Nada. Zip.

Mr. Speaker, this is a recurring pattern. In the last session, 93 percent of the legislation that passed on the floor of this House did not have a public hearing. Now, I get that if it is a bridge-naming bill, but unless somebody wants to stand up and beat their chest that 93 percent of the legislation we passed in this House in the last session was bridge-naming bills, I think that is an abysmal record, and this continues that abysmal record of no public vetting.

We have heard issue after issue after issue about where this legislation is wrong. People have said, "I think maybe there is a way to change this." And what we have been told is, maybe they will do it over in the Senate because we have already ran this thing through in 3 days and we just do not have time to change it. We are just not going to listen to arguments about why this is wrong. We are just going to push it through, and maybe the Senate will fix it, and if they do not, maybe we will fix it when

it comes back, like we have ever not concurred in Senate amendments; that is rare. But we are going to push what people have said is one of the most important pieces of legislation in this House through without a single public hearing, not one; not an hour-long hearing, not a 10-minute hearing. None. Zero.

Mr. Speaker, if I want to sell an asset of mine, and I am a former businessman, I try and maximize that asset before I sell it. Instead, we have restricted this as much as we possibly could and now said we are going to sell it off for less than it is worth.

I have heard that the consumers want choice and convenience, and somehow that automatically translates into privatization. That is not the case. Mr. Speaker, we have been told that rural stores in Pennsylvania will close. We contend that there is actually language in the bill that says 100 of the stores have to remain open. We have been told we do not know how to read, that actually all those stores will close. And so in rural Pennsylvania, just like happened in West Virginia where there was at least one liquor store in every county prior to privatization, there are now five counties in the State of West Virginia that do not have a single liquor store because no one will come there. It is just not profitable. How is that choice and convenience for the people in Pennsylvania?

Mr. Speaker, I have the good fortune of being on the Chesapeake Bay Commission and of spending a lot of time in Maryland. My family has got a vacation house there, and we frequent that as often as we possibly can, and so I spend a lot of time in Maryland. People say, "Oh, you must buy all your liquor there." The reality is, when I take wine and spirits on vacation, I bring it from Pennsylvania and take it to Maryland because I can buy it cheaper and I have a better selection at my local State store than I do within a 10-mile radius of the vacation house. Now, there are more than a dozen venues where I can buy wine and spirits within 10 miles of the vacation house, but I have got news for you, none of them, not even the big, world-famous discount one that is the mega store – which is about a quarter of the size of my liquor store in Lancaster – carries as much as my liquor store in Lancaster does. Some of those have a choice selection with a rack that runs from here to the end of this desk, and that is for everything – wine, spirits, you name it. So I do not see the choice, I do not see the selection, and most of all, I do not see the price discounts.

Now, think about this. We have been told by the people that support this that do not worry, it is going to generate just as much money for the State because there are plenty of taxes that we are still going to impose on alcohol in the State of Pennsylvania. I heard that we have border bleed into Delaware. The reason we have border bleed into Delaware is because Delaware does not impose taxes on liquor in the State of Delaware. But we are going to keep imposing that, but somehow people are going to stay here and pay those taxes instead of going to Delaware. I do not get it.

Because if I am a privatized licensee, as opposed to the State store, I need to buy a license, I need to pay business taxes, unless I am a Delaware corporation and then I do not. I may need to borrow that money and pay interest on my loans. I need to advertise because I have a competitor. My rents are going to be higher because the State stores get the lowest rent rates of anybody in this State, and you all know that. I have to make a profit because I am a privateer. The wholesaler cannot buy it for as cheap as the State can because they are not buying in the same quality, and I have to buy from them, so I have to pay a higher price to them, and they have to make a profit. And that



all supposedly equates into lower costs. It just does not add up.

Now, for those of you that want to say that you are hanging your hat on the fact that the consumers are going to get better choice and lower prices, I suggest you make a pledge to your constituents that if after privatization the cost of liquor goes up, you will personally subsidize that for them. Make that pledge, if you so believe in this, make that pledge to your constituents. My guess is, it will only cost you a couple thousand dollars a year; yeah, per constituent.

Mr. Speaker, it has been stated that there are only two States that have any control of liquor. That is false. There are 17 States that have a hybrid system where the State controls portions of the sale of liquor. In fact, if you want to get technical, because we have beer distributors, we are one of those. Mr. Speaker, yesterday I heard someone say, "You know, look, one of the most dangerous things in the world is drugs, and we allow those to be sold by private enterprises in the State of Pennsylvania," and we do, through a licensed pharmacist who has 6 years of training in college; that is how we allow that less addictive product than alcohol to be sold. As a matter of fact, just recently we even got to the point where we track ephedrine sales in the State to make sure that people do not abuse that drug, but here we are going to be able to sell it on a street corner.

Mr. Speaker, I have been told that this is about choice and convenience and it is going to simplify things for the consumer because now they get so confused when they have to go and buy a case of beer at the beer distributor and the wine at the wine store. Oh my gosh, they get confused. Well, let me explain what this system does and the system that you all contend will be simpler.

There will be beer distributors who will only sell cases. They will be open from 8 a.m. to 2 a.m. – yes, 8 a.m. to 2 a.m. – Monday through Saturday, and the person that sells it to you needs to be 18 years old, as well as the person who works in that distributorship. Now, there will be another distributorship just like that one except that they will be able to operate on Sundays, and on Sundays they will be able to sell to you from 9 a.m. to 2 a.m. There will be a beer distributor that sells cases and wine, but only 12 bottles of wine, and he will need to have a salesperson and employees that are 21 years old, and they will sell from 9 a.m. to 11 p.m., Monday through Saturday.

But then there will be another distributor who sells cases and 12 bottles of wine with 21-year-olds, from Sunday from 9 a.m. to 9 p.m., if they have the Sunday permit. Then there will be a beer distributor that sells cases of beer, 12 bottles of wine, and spirits; the person that sells it to you and the people that work in the store will all need to be 21 years old. They will sell from 9 a.m. to 11 p.m., Monday through Saturday, and they will be competing with somebody else who has a beer distributor that sells cases of wine, 12 bottles of – or cases of beer, 12 bottles of wine, spirits, on Sundays also from 9 a.m. to 9 p.m., because they have the Sunday permit.

Then there will be another kind of beer distributor that only sells cases of beer and spirits. Those people will need to be 21 years old, and they will sell from 9 a.m. to 11 p.m., Monday through Saturday; unless they have a Sunday permit and then they will be able to sell also on Sunday from 9 a.m. to 9 p.m.

Then there will be a beer distributor that just sells beer down to the size of six-packs. The people who work there will only need to be 18 years old. They will be open 8 a.m. until 2 a.m. on Monday through Saturday; although some of them might have a Sunday permit and can sell to you from 9 a.m. until 2 a.m. on

Sunday, if they have that permit. Then there will be a beer distributor that sells as low as six-packs and can sell unlimited wine, but they will have to have people in their store that are 21 years old, and they will be able to sell from 9 a.m. to 11 a.m. on Monday through Saturday; or if they have a Sunday permit, from 9 a.m. until 9 p.m.

Then there will be a beer distributor that sells six-packs, up to 12 bottles of wine, spirits; has to have people that are 21 years old. And they will sell from 9 a.m. to 11 a.m. – or 11 p.m. from Monday to Saturday. Sunday they can sell from 9 a.m. until 9 p.m. if they have the Sunday permit.

Then there will be another beer distributor that sells from a six-pack on down and does not sell wine but sells unlimited amount of spirits. They will need somebody who is 21 years old. They can sell from 9 a.m. to 11 p.m., Monday through Saturday; Sunday from 9 a.m. until 9 p.m. with a permit.

I have only gotten through the beer distributors so far. We have a long way to go here.

Then there will be restaurants and hotels that have an "R" license. They will be able to sell two six-packs and to go, and they will be able to sell spirits and wine, but only if the spirit bottle or the wine bottle is opened; and that will be from 7 a.m. until 2 a.m., on Monday through Saturday, and 11 a.m. to 2 a.m. on Sunday. Yeah, I think that is right – or maybe it is 9 a.m. to 2 a.m. on Sunday. And those people in that restaurant need to be 18 years old to sell it to you, but they can be 16 years old if they handle it behind the bar or back in the back of the house.

Then there is a restaurant and hotel license where they can sell up to two six-packs to go, but they can only sell four bottles of wine and open spirits. And they will be open from 7 a.m. to 2 a.m., Monday through Saturday; and 11 to 2 a.m. on Sunday, but they might have a special permit which allows them on Sunday to open as early as 9 a.m.

Then there is also a restaurant license which allows you to sell up to four six-packs and open spirits and open wine – reminding you, these cannot be closed bottles of wine and spirits; they have to be opened – so you have to take a drink out of this. Those people have to be 18 years old to sell to you, but the people behind the scenes can be 16 years old. They are opened from 7 a.m. to 2 a.m., Monday through Saturday; 11 a.m. to 2 a.m. on Sunday, unless you have a special Sunday permit which allows you to open at 9 a.m.

Then there is another hotel/restaurant license which would allow you to sell up to four six-packs and four bottles of wine and spirits to go, but again, as long as those bottles are opened because you cannot take a closed bottle out of a restaurant. It has to be an opened bottle that you take out. They are open from 7 a.m. until 2 a.m., Monday through Saturday; 11 to 2 on Sunday, 9 to 2 a.m. if you have a special permit on Sundays. That is the restaurants and hotels.

Then there is a grocery store license, and they can sell up to 12 bottles of wine. The person that sells it to you needs to be 18 years old, although the stockboy can be 14 years old. They would be open from 7 a.m. until 11 p.m., Monday through Saturday, even though the grocery store might be open 24 hours a day. And if they have a Sunday permit, they can sell from 9 a.m. until 11 p.m.

Then there is a grocery store with a cafe "R" license. They can sell two six-packs. They can sell unsealed wine, up to 12 bottles, and spirits. Again, the person that sells it to you has to be 18 years old, but the stockboy can be 14. They are open from 7 a.m. to 11 p.m., Monday through Saturday, even though

they may be open 24 hours a day; 9 to 11 a.m. – or 9 a.m. to 11 p.m. on Sunday if they have the Sunday permit.

Then there is a grocery store with the cafe "R" license which can sell four six-packs and they can sell unsealed wine and spirits – now, remind you, that means that you would walk into a grocery store, you would have to open the bottle and take a swig before you can take it out of the grocery store. Now, if you have an unsealed bottle, you probably cannot drive in your car because there are prohibitions against driving in your car with open containers, so you would be able to go to these stores and walk out of these stores but you could not drive away from these stores. They would be open from 7 a.m. until 11 p.m., Monday through Saturday; 9 to 11 on Sunday if they had a Sunday permit – again, even though they might be open 24 hours day, as my grocery store is.

Then there is another grocery store license with an "R" license and a grocery store license. They could sell you two six-packs of beer, wine as long as it is opened, and spirits to go, and unlimited wine as long as it is not opened. Again, they would be open from 7 a.m. till 11 p.m., Monday through Saturday; 9 a.m. till 11 p.m., if they had a Sunday special permit to do so.

There is also a grocery store license with an "R" license and a grocery store license that can sell you four-packs of beer and unlimited wine. Again, that person that sells it to you has to be 18, but the stockboy can be 14. They are open from 7 a.m. till 11 p.m., Monday through Saturday, and 9 to 11, if they have a Sunday permit. Now we have gotten through the grocery stores.

Then there are wine and spirits retailers. There are some that will only sell wine. The people that sell in that store and work in that store all need to be 21 years old. They can sell you unlimited amounts, but only Monday through Saturday, 9 a.m. till 11 p.m., and Sunday from 9 to 9, if they have a Sunday permit.

There are also wine and spirits retailers that will just sell wine and spirits but no beer. Again, the people need to be 21 years old to work in the store or to sell it to you. They are open Monday through Saturday 9 to 11 a.m.; Sunday permits 9 to 9 p.m., if they have the Sunday permit.

There are also wine and spirits retailers that would only sell spirits, no wine or no beer. Again, the people that work there and that sell to you need to be 21 years old. They would be open from Monday through Saturday, 9 till 11 p.m. With a Sunday permit, they could be open from 9 a.m. to 9 p.m. on Sundays.

All this is in the name of convenience and choice, Mr. Speaker.

Mr. Speaker, when you say to the people of Pennsylvania, can you give me more convenience and choice and make it simpler for me to buy wine and beer and spirits in the State of Pennsylvania, they resoundingly say yes. When you tell them what is in this bill, they resoundingly say, oh my God, are you serious? Why would you ever vote for something that ludicrous? Mr. Speaker, I urge a "no" vote.

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

On that question, the Speaker recognizes the lady from Philadelphia County, Ms. Donatucci.

Ms. DONATUCCI. Thank you, Mr. Speaker.

I would like to interrogate the maker of the bill.

The SPEAKER. The gentleman, Mr. Taylor, indicates he will stand for interrogation. You may proceed.

Ms. DONATUCCI. Thank you, Mr. Speaker.

Right now the PLCB partners with the Pennsylvania Wine Association to enhance wineries, tourism, and agriculture in the Commonwealth. Does the bill address how to maintain or grow our wine industry in Pennsylvania, and what opportunities will there be for Pennsylvania's wineries and distilleries?

Mr. TAYLOR. The first part of your question, Mr. Speaker, I do not think there is anything in the bill that pertains to that. In terms of how wineries can benefit, there will be another, possibly anywhere between 900 and 5,000 different places they will be able to sell their wine. I think that would help them.

Ms. DONATUCCI. Okay. Thank you, Mr. Speaker.

Mr. Speaker, I would like to comment on the bill.

The SPEAKER. The lady is in order on the bill.

Ms. DONATUCCI. Thank you, and I will be brief.

Mr. Speaker, I rise in opposition of HB 790. For me, it is simple: If this bill becomes law, the taxpayer loses, the economy loses, and the consumer ultimately loses. The general public wants lower prices, longer hours, and direct wine shipments. Those are the things that the Costa amendment promised, but those are the things that this bill cannot promise.

What this bill does promise is losses in State revenue, \$600 million over the first 5 years, and taxpayers will ultimately bear the burden. What this bill does promise is less jobs, thousands of potential jobs lost, whether it is the beer distributors, the small family-owned distributors, or the 4,000-plus State wine and spirits jobs. But this bill does promise to include a loan program that promises retailers 4 years to pay off their licensing fee at 5 percent interest. This is unacceptable on the Commonwealth's behalf because the State of Pennsylvania should not be in the banking business.

If you can stomach yet another piece of legislation that puts the interest of big business over the interest of middle- and working-class Pennsylvanians, then vote "yes" for this bill. If not, then join me in saying "no" to HB 790.

Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the lady from Philadelphia County, Ms. Brownlee.

Ms. BROWNLEE. Thank you, Mr. Speaker.

Mr. Speaker, I stand today asking my colleagues to vote "no" on HB 790. It is important for all of you to know, I do not have a problem with an adult having convenient access to a bottle of wine or even spirits. Mr. Speaker, what I do have a problem with is the important consequences that will result from this liquor privatization scheme. Mr. Speaker, these are important consequences that are life-and-death consequences, Mr. Speaker. This bill triples the number of wine and liquor stores and more than quadruples the number of wine retailers in Pennsylvania. And by the way, all or most of the configurations that the gentleman from Lancaster County just recited are located in urban communities such as I represent.

Mr. Speaker, this bill was once dubbed "Booze for Books." Now, Mr. Speaker, HB 790 has the potential of leading to "Booze by the Block." Mr. Speaker, under HB 790, you will be able to buy a bottle of whiskey to go just like you order a pizza today, but a pizza does not kill while driving. Mr. Speaker, the people who have dedicated their lives to protecting our children, including Mothers Against Drunk Driving, the Fraternal Order of Police, and the Professional Fire Fighters Association, all

oppose HB 790. Mr. Speaker, these organizations see the public health and safety consequences and dangers that follow the passing of this bill.

In addition to the health and safety consequences of this privatization scheme, thousands of people will lose their jobs. Mr. Speaker, nearly 4500 full-time and part-time employees will go on unemployment, and virtually no new jobs will be created. Additionally, Mr. Speaker, 12,000 employees of beer distributors will be out of work. Mr. Speaker, these are humble and honorable Pennsylvania workers, men and women who work long and hard hours in jobs that pay them just enough sometimes to put food on their table and a roof over their head. Sometimes they save to send their children to college, and sometimes those children are the first generation to go to college. Mr. Speaker, our workers are the backbone of Pennsylvania. Their wages and salaries are spent in their local communities. But, Mr. Speaker, this bill is a job killer. We should be investing in the ingenuity of the workers of this Commonwealth, who are the taxpayers in this Commonwealth.

Is it, Mr. Speaker, right to sacrifice the livelihood of so many people and small businesses for the sake of a scheme that is rigged to financially reward a few and harm so many? There is one truth, Mr. Speaker. Some people will be enriched and others will be harmed. This bill, this plan, does nothing to improve the moral fabric of the Commonwealth.

Mr. Speaker, I have heard some claiming to be proud that they view this day as a historic day. Well, I ask all of you to be leery of false prophets and men that come to you with gifts and promises that cannot be kept. We all have a choice. We all have free will. We can choose the good and what we believe is right or we can choose this bill.

Mr. Speaker, liquor privatization in this form, HB 790, will create – make no mistake – social ills in our communities, and, Mr. Speaker, I urge all my colleagues to vote "no." Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Northumberland County, Mr. Masser.

Mr. MASSER. Thank you, Mr. Speaker.

Mr. Speaker, I was not going to speak tonight. I was going to submit my comments for the record until I heard a lot of the debate, and the debate was going like a lot of the national media has been going and sometimes characterizing business owners as the villain, as we are the people who are doing this. We are paying minimum wage. It is all about profits. I have been in the business for 25 years. I am a small business owner. I am a licensee. I sign the front of the check. I make payroll every week. I have had employees working for me for 25 years, another one for 22 years, and a lot of them for 10 years-plus, not because I pay them minimum wage, because I treat them fairly. I compensate them well, and they take care of me. These businesses are going to be no different.

To say that these licenses are going to add to the social ills because younger people are going to get their hands on it, you have to go back to your licensees and your restaurateurs and those folks and tell them, we do not trust you to do this job, the job you have been doing your whole lives. You cannot do it. I am only here a little bit, a short amount of time, but even the short amount of time has reinstilled the fact that there are very few things government can do better than the private sector.

Another argument is, another argument is we should do modernization, not privatization. I have been waiting 25 years for modernization. I get my meat delivered to my restaurant. I get my produce delivered to my restaurant. I get my beer delivered to my restaurant. I have to go pick up my liquor order. I cannot get it delivered. And if the liquor order is wrong, I have to take it back to the store and redo it. This is not— I mean, we have had 25 years that I have been in the business to modernize.

Privatization is what the public wants. They want choice and convenience. I cannot tell you how many times I have been in my restaurant, people— I live by an amusement park. Campers will come into my restaurant, and they will say, where do I have to go to get some liquor here? Well, what do you want? If you want two six-packs, I can take care of you. If you want a case, there is a beer distributor right down the street. If you want liquor or wine, you have to go 5 miles up the street to the liquor store, to the State store. They always say, well, what is a State store? You have to be kidding me. I cannot just do it all? No. The looks are unreal. You know, they would ask, what is a State store? All I can answer is, it is a product of Prohibition that I cannot really tell you why it is still here.

When I go to the State store, the clerks are fantastic. I have gotten to know them for a long time of going in there. I pick up the orders. And lately they have been on me, talking about this privatization bill. But it never fails, when I leave that store, every customer coming in that store is asking me, when are you guys getting rid of these State stores?

The biggest concern I had when the Governor rolled out his plan was to our small distributors, and again, a lot of the arguments are not giving our small distributors the credit that they deserve, that they are going to go out of business under this plan. You give them this opportunity, they are not only going to stay in business, which I am not sure they can do under the current law, they are going to grow and expand their businesses because that is how they stayed in business as long as they have.

A lot of the things that the beer distributors wanted, Mr. Mustio covered, and we have talked to a lot of beer distributors who have been fed with a lot of misinformation over the last couple of days, and when you talk to them one-on-one and you explain what the bill does to them and the choices and the chances for expansion of their business, they are excited about the bill; they like the bill. Those folks who got fed misinformation, once you talk to them, they are in.

Again, the arguments against the bill are a slap in the face to current licensees. The private sector has so much to lose. They are very conscious on what they do. The public is asking for this. Let us give the public what they want. Vote "yes" on HB 790. Thank you.

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

On that question, the Speaker recognizes the gentleman from Philadelphia County, Mr. Kinsey.

Mr. KINSEY. Thank you, Mr. Speaker.

Mr. Speaker, I stand in opposition of HB 790.

Over the course of the day, we heard a variety of different numbers related to this bill; costs, savings, etc., and so forth. However, Mr. Speaker, looking beyond the budgetary and commercial impacts of this bill, I would like to remind my colleagues about the health and social consequences. HB 790 exposes children, teens, and alcoholics to a controlled substance more frequently and at locations closer to home. We are talking

about places like supermarkets, pharmacies, and stores of that sort, Mr. Speaker. These are stores that are frequented by our brothers, our sisters, our young sons, and our young daughters.

Mr. Speaker, alcohol can be addictive. We are talking about giving people increased opportunities to purchase and consume a product that leads to the number one addiction; an addiction that can lead to crime, poverty, domestic abuse, and severe health problems, Mr. Speaker. You know, Mr. Speaker, in my previous life, I worked in the field of human services. In fact, Mr. Speaker, I currently serve on the House Human Services Committee. Many of us believe that dollars directed to those types of programs are underfunded. And with easier access to alcoholic beverages, it appears that we will need even more dollars as well. All we are doing here is setting up folks for increased services and support in the long run in the human service spectrum, Mr. Speaker.

HB 790 is nothing more than a regressive social law masquerading as a cheap fiscal salvation with a one-time infusion of money, Mr. Speaker. Mr. Speaker, those of us that are sitting here in this chamber were elected by the people. We were elected to represent the people, Mr. Speaker, not represent corporate America. Let our conscience be our guide. Let us do what is best for the people we should be here fighting for, for the hardworking men and women who sent us here, Mr. Speaker, folks that come from our community, folks that work in our community, Mr. Speaker.

Mr. Speaker, I am asking my colleagues on behalf of the people that we represent to think about the impact that overconsumption of this addictive beverage will have on our communities.

Mr. Speaker, I am asking all of my colleagues, on both sides of the aisle, to consider the folks who sent you here and vote "no" for HB 790. Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Bucks County, Mr. Santarsiero.

Mr. SANTARSIERO. Thank you, Mr. Speaker.

Mr. Speaker, I would like to ask the gentleman from Philadelphia, the Republican chair of the Liquor Committee, to stand for a brief interrogation if I may.

The SPEAKER. The gentleman indicates he will stand for interrogation. You may proceed.

Mr. SANTARSIERO. Thank you, Mr. Speaker.

Mr. Speaker, I am looking here at the schedule of fees that would be assessed for the various operations and how they change by different class of county. Could you tell us how you arrived at that fee schedule?

Mr. TAYLOR. Thank you, Mr. Speaker.

I think it is important to understand that almost everything that went on in the committee and this bill, we tried to strike a balance to make sure what was going to happen was that small business had an opportunity to participate in this process, that the plan that we had before us before we amended it called for an auction process. So that was the extreme end of auctioning. The other end was the cost of the license itself. So we tried to hit a balance between what the Governor had in his plan at \$150,000, with what the cost of the license was, to make sure that people could get into the game if they needed to, and at the same time, folks were going to make an investment in their businesses, because in my view, we wanted to make sure that these places were stores, and in Philadelphia sometimes, really some of the beer distributors are very, very small. So those

numbers were abounds to do that. Then secondly, as it pertains to each particular county. As you know, licenses in each particular county vary. So a license in Philadelphia in some respects is way less valuable than licenses in other parts of our southeast, for example. So we try to gauge it and have it listed by county based on the average price of a particular license.

Mr. SANTARSIERO. So let me understand, did you look at what other States have done in terms of the sale of similar licenses in similar populations?

Mr. TAYLOR. Yes, we have.

Mr. SANTARSIERO. You did that when you came up with these numbers?

Mr. TAYLOR. No. We know that a lot of States auction them off. We did not want to auction them off. I did not want Walmart to buy every single license. I did not want Costco to buy every single license. I want the beer distributors who live in that community to have an opportunity to do it.

Mr. SANTARSIERO. I appreciate that, but that is not the question that I am asking you.

The question that I am asking you is, Mr. Speaker, did you do a survey of the other States, the other 48 States that have private sale of alcohol? And are you telling us that in every one of those 48 States they do an auction?

Mr. TAYLOR. The first part of your question is, did I review every of 48 States? No, I did not.

Mr. SANTARSIERO. So therefore, you cannot say whether every one of those States has an auction process?

Mr. TAYLOR. I am not saying that.

Mr. SANTARSIERO. Okay.

And when you came up with these numbers, you were trying to avoid the auction, I understand that, and you explained a little bit just now about some of the considerations you used when you were coming up with these numbers, but is there any aspect of these numbers that reflects some kind of a market analysis that you did of what these licenses might be worth?

Mr. TAYLOR. Well, we know what the licenses are worth. We know what the average license is worth in each county. So in that respect, yes, we know what the base price of the license was. In many cases, we doubled it to some extent for wine and more than doubled it for spirits.

So if what you are getting at, Mr. Speaker, is did we consult and spend money on an analysis based on other States and the cost of licenses, we did not.

Mr. SANTARSIERO. What I am trying to get at, Mr. Speaker, is an understanding of exactly how these numbers were arrived at, because at the end of the day, obviously what these numbers are is pretty important because they dictate eventually the revenue that will be coming into the State, and I think, I would guess that everyone in this House, Democrat or Republican, would want to know at the end of the day that we are getting fair market value. And what I am hearing is that in some cases, market prices were doubled. In other cases, something else happened, but we are not quite sure what that is.

Mr. Speaker, may I speak on the bill?

The SPEAKER. The gentleman is in order on the bill.

Mr. SANTARSIERO. Thank you.

Mr. Speaker, I think we have continually today and now this evening been presented with a false choice by many of our colleagues who are supporting HB 790. That false choice is either the current system or HB 790. Mr. Speaker, that is in fact a false choice, because I do not think anyone in this House is



arguing that the current system should go forward as it is. The fact of the matter is, there is broad support for a modernization of the system by which we sell alcohol in this State, but there is not broad support for HB 790, and there is not broad support for it, Mr. Speaker, because it establishes a fairly arbitrary system of license fees. It, as we have just heard, really is not the result of any kind of real market analysis of the cost of what those licenses ought to be.

It does things like allow beer distributors to stay open until 2 o'clock in the morning. Now, think about that for a moment, Mr. Speaker. Right now they have to close at 11, so we are going to allow them, under HB 790, to stay open another 3 hours. I think most of my colleagues would agree that nothing good happens at 2 o'clock in the morning, and yet we are going to allow people to go and purchase beer at that time of night. Now, we can be for modernization, we can be for allowing beer distributors to sell six-packs, but why should we be for that? Why should we be for a system that is completely arbitrary in terms of the price structure that it sets up?

This morning, Mr. Speaker, when we considered the fiscal aspects of this bill in the Appropriations Committee, I asked the majority chairman of the committee whether this number that we are being told about, this \$1.1 billion in revenue that would result from the one-time sale, whether there was uncertainty in that number and whether in fact they really were not sure whether that was the number that was going to result at the end of the day, and the majority chairman admitted that, yes, it was an uncertain number. He had to admit that, Mr. Speaker, because even the Governor's own study, the PFM study, acknowledged that as little as \$425 million might be the result of this sale.

Now, that is an interesting point, Mr. Speaker, because just 1 month ago, just 1 month ago, the Governor and the Lieutenant Governor invited superintendents of schools all across the Commonwealth to come to Harrisburg and support HB 790, and why were these superintendents enticed to do that? Because they were told that this bill was going to generate a billion dollars in one-time revenues that would then be put into a new education program over the next 4 years. And not surprisingly, many of those superintendents were very excited about that. I am sure this evening, Mr. Speaker, they are not very excited to know that HB 790, in its current incarnation, has no plan to put any money into education, that the money is going to go into a restricted account, and no one seems to know exactly what is going to happen to it after that. And our school districts, which after the last two successful budgets have had tremendous cuts to their bottom line from State funding, are once again going to be made to go forward with very little additional support from the State.

But we are told, Mr. Speaker, that we have a choice tonight, the current system or HB 790. Again, Mr. Speaker, we have been given a false choice. Mr. Speaker, on an issue of this importance, with a bill as many of my colleagues have pointed out that has many problems, we should not be making this decision on the fly.

Not one speaker in favor of this bill, not one speaker tonight has been able to explain why it is we have to have this vote tonight. Not one speaker has been able to explain why this massive bill as amended yesterday cannot be brought up for public hearing. Not one speaker has explained why it is a good idea to create a system where we are very uncertain about what the revenues are going to be, why it is a good idea to allow beer

sales at 2 o'clock in the morning, why it is a good idea to expand the circumstances in which minors will be coming in contact with alcohol. Not one speaker has been able to explain why we need to make the decision on all those bad choices tonight. Instead, we have been given a constant refrain of this false choice, that we are either for HB 790 or we are for doing nothing. And the fact of the matter is, that is simply a false statement.

Let us look at reasonable changes that could be made in this system that serve the Commonwealth, that protect public safety, and give consumers more choices. That is not what this bill does, no matter how much rhetoric we hear to the contrary, and I think we are doing a disservice to the people of this Commonwealth, Mr. Speaker, by rushing this through, not taking the time for a full public hearing where all interested parties will have an opportunity to be heard. And so, Mr. Speaker, I stand tonight in opposition to HB 790, and I ask all of my colleagues to join me in voting "no." Thank you.

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

On that question, the Speaker recognizes the gentleman from Lehigh County, Mr. Simmons.

And for the information of the members, Mr. Sabatina is on deck and Mr. Bradford is in the hull.

Mr. SIMMONS. Thank you, Mr. Speaker.

I stand here today on this historic day in support of HB 790. Mr. Speaker, the time has come; the time has come to dispose of a relic of the past known as the Pennsylvania Liquor Control Board and move Pennsylvania into the 21st century.

Mr. Speaker, nothing serves as a reminder of the past instances of patronage and dysfunction of this Capitol than the LCB. Our antiquated, old relic system for selling wine and spirits is not only unfair to our constituents, it is an insult.

The 21st Amendment to our Constitution was passed on December 5, 1933. This amendment ended Prohibition. At that time then Governor Gifford Pinchot called a special session of this General Assembly with the goal to discourage the purchase of alcoholic beverages by making it as inconvenient and expensive as possible, thus formed the LCB.

Mr. Speaker, as I stated earlier, it is time to stop punishing our constituents with this system. All the vast majority of Pennsylvanians want is a little more freedom in purchasing a perfectly legal product like they have in 48 other States. The people of this great Commonwealth are tired of seeing and reading about such an inefficient monopoly. They are tired of being treated like second-class citizens and having to blow into a breathalyzer tube in an inefficient boondoggle of a kiosk to get a bottle of wine. They are tired of reading about a \$66 million taxpayer-funded inventory system that failed to compute adequate costs and resulted in excess inventory that then resulted in the need to purchase \$500,000 in additional taxpayer dollars for trailers to store the excess inventory. They are tired of reading about officials that make over \$167,000 just because they have a connection.

Every other State, as we have talked about today, except for Utah, has gotten out of this business. As I constantly say to all of my constituents, if this was such a good idea, such a great cash cow for the State, would not every State in the Union be rushing to replicate this LCB system we have in Pennsylvania and other States? Even the bluest of blue States – States like California, Illinois – allow for the private sale of wine and spirits.

Mr. Speaker, I want everyone in this chamber to think back to when they first ran for office. Did you come here with the attitude that you are running for office to keep things exactly as they have always been, or did you come here to make this place better?

Make no mistake about it; a vote against HB 790 is a vote that says you believe in the status quo. A vote against HB 790 is a testament that you believe your constituents are so happy with their government that nothing needs to be changed. I want you to keep in mind, though, that a recent poll by Quinnipiac, voters disapprove of this General Assembly by a 58-to-28-percent margin, brushing up against the all-time low of 59 to 25 percent in 2010. Also keep in mind that polling has support for privatizations at 61 percent.

Now, I know this bill has to get through the Senate, but think about the message we are sending over to that institution. For the first time in Pennsylvania's history, if we pass this bill, a majority of a legislative branch, one judged by the voters every 2 years mind you, has passed the privatization bill that the majority of the people want to the Senate. I think we all would agree they would be wise to listen.

Mr. Speaker, if this bill passes, this will be the moment when the past clouds of corruption and patronage start to lift off this fine institution where Ben Franklin and William Penn once served. This will be the moment where people will finally see common sense prevail in their government. This will be the moment when the people of this Commonwealth start to believe in a government that works for we the people, not we the special interests.

Mr. Speaker, I urge my colleagues to support this legislation. The people of Pennsylvania deserve a government that works for them. Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Philadelphia County, Mr. Sabatina.

Mr. SABATINA. We are out of juice here. Oh there we are. Thank you.

Thank you, Mr. Speaker.

I would like to start off by saying that somewhere in the 1990s I was in college and I heard "Neon" Deion Sanders say a quote that stuck with me. It was the first time I heard this quote, and he was arguing a contract negotiation, and he said, "If it don't make dollars, it don't make sense." This don't make sense.

Right now, whether you are philosophically against the business of the Commonwealth being in the business of selling alcohol, the fact is, we are in the business of selling alcohol. We do have a monopoly, and right now we are giving it away. We are giving away our monopoly.

Last year HB 11, the big catchphrase was, it will generate \$2 billion, \$2 billion, and that number was adjusted later on. Earlier the Governor's plan, well, that will generate \$1 billion, and we will put it towards education, and that kind of quickly floated away.

Today with HB 790, we are not hearing that number. We are not hearing that big number that we are going to get, because frankly, we do not know what that big number is.

We are in the business of alcohol, and it is the only business, it is the only function of government that I know that is profitable that generates over \$100 million annually to the General Fund. That is \$100 million that taxpayers do not have to fork up to go into the General Fund. It boggles my mind why we do not embrace this monopoly and try and make it as

profitable and as convenient for everyone. Imagine what we could do if we had \$200 million in the General Fund a year. We have no idea the costs of this bill. We do not know the social costs. We do not know the enforcement costs. We do not know the costs to the men and women up in the rafters that have to go find a job after this bill passes.

Regardless of whether or not you are philosophically opposed to the business of being in the liquor sale, the fact is, we have a valuable asset and we are giving it away. And "Neon" Deion, "Prime Time" Deion Sanders was correct when he said, "If it don't make dollars, it don't make sense." This don't make sense. Thank you.

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

On that question, the Speaker recognizes the gentleman from Montgomery County, Mr. Bradford.

Mr. BRADFORD. Thank you, Mr. Speaker.

I, too, rise to speak on the bill, and I, too, share the concerns that were raised that this bill was about free markets, that this bill was about bringing the marketplace to liquor sales. And you know what, I think there is probably vast agreement that if you started today and you built up an asset, you may not have built a State-owned liquor store system in this or any other State, but today in Pennsylvania, we do have such a system and it has turned into a tremendous asset for Pennsylvania. If we choose, as maybe the choice of the majority, to divest from that interest, then I say, why do we not put the same free market principles to use that we claim to champion in selling off the liquor stores? Why do we not get an appraisal of the value of these stores? Why do we not do an open marketplace and auction off these licenses? Why do we offer discounts to certain special interests? Why do we not have a transparent and open process and maximize our dollars for this investment? I will tell you why we do not, I fear because this is driven more by ideology than any common sense. This is about a desire to put, unfortunately, a desire to put a State store out of business, and the 5,000 employees are going to be casualties to that narrow ideological goal.

But instead of relying, again, on appraisals like we would if we were to do a sale of property, if we were to do a land transfer today, there would be an appraisal. If we were to auction off surplus goods, there would be an auction; there would be an online auction or other. But there are neither here this evening. What we are talking about is arbitrary amounts for licenses that in no way reflect the value of this asset, an asset that one way or another this Commonwealth and its taxpayers have come to possess, and we propose dispossessing ourselves of it, but without getting top dollar for what our taxpayers have paid for. It makes no sense. But again, it seems that it is not about sense, it is about ideology, and it is about an ideology that was based on a false premise.

When Governor Corbett first said he was doing this, it was going to be for a Passport for Learning, a billion dollars for education in Pennsylvania. What we got was a bait and switch. What we got was press availabilities with superintendents across the Commonwealth. I noticed that there was one article, Brian Earley, the president of the Hazleton School District was brought down and so was Barbara Geistwhite, a member of the Cumberland Valley School District, and they came to Harrisburg to hear a Governor say that the sale of this asset would be done in an open way and that the profits would go to public education. Well, here we are this evening, and that promise has been broken. A bait and switch was played.

See, the Governor said at the time, you know, and I read from an article, he said, in spelling out the issues, he said, "...Corbett said he met with public school officials at the Governor's Residence...and heard their concerns in the aftermath of the Sandy Hook...shooting tragedy." He said, "Children cannot learn where they do not feel safe. What these educational leaders confront and need every day in their schools and classrooms is to keep their students safe."

Governor Corbett used that tragedy and said, we need these funds; we need it for public schools. But here today, we get rid of an asset. We put 5,000 employees out of work, and not one dollar is in a restricted fund to make sure we fund education. What we get instead are buzz words like "convenience" and "choice." But if convenience and choice means 2 a.m. alcohol, if it means gas and go at convenience stores, if it means corner store liquors in our urban centers, I do not know if that is what was sold to people. I am pretty sure that is not what Governor Corbett talked about when he talked about Passport for Learning. I am pretty sure that is not what people demand when they want a modernized system. They do want to be able to buy a bottle of wine at a grocery store, but what they do not want to be able to do is to see a bait and switch pulled, and that is what I fear is being done tonight. For that reason and so many others, I also oppose this bill.

Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Lycoming County, Mr. Everett.

Mr. EVERETT. Thank you, Mr. Speaker.

As I have listened to the debate throughout the day and into the night, I just wanted to comment on a few things. I hope not to be too repetitious.

One of the things that I think we need to focus on is what this is about tonight is changing the direction of Pennsylvania. We have been in the same rut here for more than 80 years. I had the great privilege to serve in the United States Air Force for more than 20 years, lived in quite a few States, and I can tell you that none of them are as obtuse and difficult to purchase alcohol as the Commonwealth of Pennsylvania is and has been.

And recently, up in Lycoming County, where I live, we have had the great opportunity to host a lot of people from outside the State as they have come in to work with Marcellus Shale. I run into them in the supermarket and they are wandering around in the aisles looking for wine, looking for beer. And when I explain to them what they have to do to get a bottle of wine and to get this much beer and to get that, they look at me and they think, you know, where in the heck am I?

This is our opportunity to move Pennsylvania forward, and I hope that we take that opportunity tonight. I know I plan to. I think this bill, you know, everybody has been criticizing. I do not think anybody ever thinks any bill is perfect. There are 203 of us in here, 201 of us right now I guess, and I do not think any of us ever thinks a bill is perfect. But I think what the Liquor Committee and what we have done through the amendment process has made this a very, very good bill that does a lot of things for a lot of people.

One of the things I do want to correct is about this putting our distributors at home out of business. Over the past few days, as I have worked with my distributors at home to come to understand what they are doing and what this opportunity affords to them, they have become excited about this bill. They have been getting a lot of disinformation as we have mentioned

tonight, and I just want to point out the opportunity that the distributors in Lycoming County are going to have. For \$67,000, they are going to have the opportunity to become the sole purveyor of spirits and beer by the case and kegs in our area. Once they have understood that, they become excited about it. They thought they were going to be competing with big-box stores. They thought the box stores could move that product right inside their stores, in their grocery stores, and sell it. They did not know what the big-box stores were going to have to do.

For example, if somebody who is not a distributor in Lycoming County wants to get into the wine and spirits business, the first thing they are going to have to do is pay \$345,000 for a license, \$345,000 just for the license, before they build a building and occupy it and put all their fixtures in and buy product. I do not think anybody is going to do that in Lycoming County. I think our distributors are going to thrive. They were dying on the vine as supermarkets utilized the ability to use our licenses and put beer into the grocery stores, which is fine. That is legal in Pennsylvania. That may continue to happen. But our distributors are going to have the opportunity now to move forward and have a great business. I think it is a wonderful opportunity for them. It is a wonderful opportunity for our consumers, and I would urge a "yes" vote for everybody here in the chamber. Thank you.

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

On that question, the Speaker recognizes the lady from Delaware County, Mrs. Davidson.

Mrs. DAVIDSON. Thank you, Mr. Speaker. Thank you, Mr. Speaker.

Mr. Speaker, many times people in this House look at me as a relatively conservative Democrat. While that may or may not be true, I am hard-pressed today to find how this legislation is consistent with either conservative or progressive policy.

Mr. Speaker, I have been a small business owner and more importantly a small business advocate for almost all of my adult life. In fact, today, Mr. Speaker, I left here to host the Small Business Expo in my district and came back to be a part of this debate. Small businesses are the lifeblood of this economy and of our communities. I am troubled about what this proposal could do to small businesses in our community, including very small beer distributors, small family-owned restaurants, boutique hotels, bed and breakfasts, and small grocery stores.

This measure, Mr. Speaker, pits small business against big business. It squeezes out competition with its manifold configurations and confusing variations. I have heard many times in this House, Mr. Speaker, that government should get out of the way of business. I have also heard that the State should get out of the alcohol business. Well, this bill, Mr. Speaker, is government still in the liquor business, and in fact, this bill represents government regulation run amok. My colleague, the lion, the liberal lion from Lancaster, did a fabulous job of explaining just how confusing the regulations in this bill really are. Under this scheme of government overregulation, 20 different configurations of licenses exist; 8 different mind-numbing possibilities for beer distributors, 4 confusing configurations for restaurants and hotels, 5 jerry-rigged variations for grocery stores, and then another 3 possible different variations for wine and spirits.

And, Mr. Speaker, in an even worse intrusion of government into private industry, this is a bizarre attempt at privatization. It also includes a loan program giving retailers 4 years to pay back

a loan at 5 percent interest, making Pennsylvania not only in the liquor-selling business, liquor license selling, but in the liquor-license banking business as well.

Let us also talk for just a moment about the loss of 4500 family-sustaining jobs in this Commonwealth and its effect on small businesses and communities on top of the rising unemployment in this Commonwealth, Mr. Speaker, that has occurred under this administration's failed policies. These hardworking Pennsylvanians pay their taxes, support community businesses, buy cars, houses, eat at local restaurants, and will no longer have the income to do so. This is not a business-friendly bill. This measure has the potential to destroy small businesses and ravage communities.

Let us talk for another minute about what these communities could look like under this measure, with the loss of jobs and the closing of small businesses and the unbridled access to alcohol permitted on our community streets. The Chiefs of Police and the Fraternal Order of Police are troubled by what this law will mean, and they are already overtaxed in their departments. Underage drinking, which is already a problem in the Commonwealth, is expected to increase. But yet in this House, this conservative House, law enforcement officials have been ignored and unheeded in this measure.

Finally, this measure ignores the contribution of \$500 million annually to this Commonwealth and forges ahead with projected losses after a possible windfall, if all the confusing licenses sell as projected, and that is a big if.

We are making history today, Mr. Speaker, but I would rather be on the right side of history.

So, Mr. Speaker, in my humble opinion, this flies in the face of conservatism and flies in the face of progressivism. Mr. Speaker, in my opinion, this bill is a job-killing, small-business-destroying, community-ravaging, government overreach that will increase taxes. Therefore, I urge a vote of "no" on all sides of the aisle. Thank you, Mr. Speaker.

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

On that question, the Speaker recognizes the gentleman from Lackawanna County, Mr. Kavulich.

Mr. KAVULICH. Thank you, Mr. Speaker.

Mr. Speaker, sometimes we are asked to be experts on everything, but we really cannot be. But in those cases, we can get the opinions of experts and use those decisions to make our choices better, because our decisions are not about us, those decisions are about what is right for the people. The experts I am listening to are the Drug and Alcohol Service Providers of Pennsylvania, Mothers Against Drunk Driving, the Fraternal Order of Police, and the Pennsylvania DUI Association, experts who say no to this bill. The U.S. Centers for Disease Control says privatization leads to increases in alcohol consumption, increasing the risk of alcohol abuse. Those experts say no, but nobody seems to be listening to them. We seem to be in a rush to be number one, which everybody wants to be. Sports teams all want to be number one. Well, if we pass this bill, we will move closer to being number one. Pennsylvania will be challenging for the State with the largest number of people in this country who are looking for a job.

I have heard here over the past 9 hours that this bill is what constituents want. What about constituents who want health-care coverage under adultBasic or expanded Medicaid? What about constituents who want the Delaware loophole closed so small businesses are not subsidizing out-of-State corporations?

We have heard here over the past 9 hours that 48 States have a privatized system of liquor and Pennsylvania is not one of them. Well, there are 36 States that charge a severance tax on natural gas drilling, and Pennsylvania is not one of them.

Mr. Speaker, let us keep the jobs. Let us keep the public safe. Vote "no" on HB 790.

The SPEAKER. According to my list, we are basically down to the Democratic chairman of the Liquor Control Committee, and if the Republican majority chairman is wanting to speak, and then the two leaders.

The question is, shall the bill pass finally?

On that question, the Speaker recognizes the gentleman from Allegheny County, Mr. Paul Costa.

Mr. P. COSTA. Thank you, Mr. Speaker, and thank you to the members for your patience. We are almost there. Hang in there.

I have been listening to the debate, not only today but for a long time, and I still believe it comes down to two factors. You either believe that the State should be in the business of wine and spirits or you believe they should get out of it. I am a believer that we should still continue to be in the business, but I do realize that we need to make some changes, and I am fine with that. But there is a cost of us getting out of the business of selling wine and spirits, and one of those costs is, we talked about earlier, it is a minimum of \$170 million every year. There is a cost of losing over 4,000 people's jobs. There is a cost of our neighbors with small businesses, with the opportunity they will lose their businesses. There is a cost of us giving away one of our last assets that we have as a State, and there is a cost with the social aspects.

And if you are okay with that and you are okay with the State getting into the lending business, that is okay, you can be for that bill, if you are okay with all those conditions. But just know this: If you want change, you do not necessarily have to vote for HB 790. You can vote "no" that you do not like this bill, and we can make it better. I am of the belief that we can make it better. There are things that we should do to make it more consumer-friendly. There are things that we should do to protect our workers, and there are a lot better things that we can do to make this bill better. I am voting "no," and you can vote "no." It does not mean that you do not want to make things better. It is just that you are not for this plan. There can be another plan. There can be another plan.

Please stick with me and vote "no."

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

On that question, the Speaker recognizes the gentleman from Allegheny County, Mr. Dermody.

Mr. DERMODY. Thank you, Mr. Speaker.

Mr. Speaker, I think we all know that March Madness began for real today, and not just in the NCAA (National Collegiate Athletic Association) Basketball Tournament, because it began right here. Unfortunately, it has been happening here for years. In March of 2011, the Governor proposed a budget that cut \$1 billion from our schools. In March 2012 the Republicans passed the voter ID law. And here we are in March of 2013, and the Republicans are pushing this liquor privatization bill. But this liquor bill really reveals the skewed priorities of the Republican majority and our Governor. The transportation funding report from 2 years ago is gathering dust. Pennsylvania's unemployment rate is going up, while the unemployment rate is going down throughout the rest of this



country, and we are still waiting to hear when the Governor might talk to the Federal government about expanding Medicaid.

We have heard several speakers on the other side today say that we should be talking about education, we should be talking about transportation, and I agree with them. But instead of working on those priorities, the Governor and his friends in the House Republican Caucus today have spent months coming up with this plan. Now, the only thing this plan does for transportation is allow six-packs to be sold in gas stations.

We have not talked about transportation and education. You have spent hours behind closed doors without any Democratic input. We have not been in that room, and you spent those hours writing a plan to close the wine and spirits shops and throw 5,000 people out of work. More than 2 years after Tom Corbett took office as a pro-business Governor, promising more jobs, Pennsylvania's unemployment rate is 8.2 percent. What will it be after we lose these 5,000 jobs right here?

After more than 2 years with Tom Corbett as Governor and a Republican majority in both the House and the Senate, we have more schools in trouble, fewer people with health insurance, and more than half a million people out of work. And what is the Republican answer to all of this? Rather than get down to work on the issues that mean the most to people of Pennsylvania, that mean the most to them, they want to privatize our State liquor system and make it even more complicated. This bill would sell off in bits and pieces to all sorts of different businesses; it will sell it off to all sorts of different businesses and create an even more confusing system than anything that we have ever seen. We have just heard about it.

The other day I was speaking with my good friend, the Democratic whip, and he mentioned that he is reading "War and Peace." Now, I do not know why he is reading "War and Peace." My guess is that he has the same guilt that I have, is that we used the CliffsNotes in college. Nevertheless, he is reading "War and Peace." And I am here to tell you that you will get through "War and Peace" easier than you will get through the more than 30 configurations of the licenses that have just been described to us that are in this bill.

You know, Mr. Speaker, we have a pattern that has developed here with this Governor and the Republican majority: Ignore the issues that demand the most serious engagement and attention, and propose solutions where no problems exist. Put aside the human cost here. Put aside the lost jobs, the small businesses that will be going out of business, the proliferation of liquor throughout this State. The liquor plan we are, you all are being asked to vote on today will cost this Commonwealth hundreds of millions of dollars each and every year. Those are dollars we will not have, we will not have available for future budgets for education, for health care, for law enforcement, for transportation. We do this by giving away one of the State's most valuable assets for a pittance in upfront fees.

Mr. Speaker, we can do much better. My colleague, our colleague from Allegheny County, offered an amendment that everyone in this room could be for, because Democrats want more convenience for consumers, not increased confusion, higher prices that this bill will bring. Democrats want convenience, not chaos. We support longer hours and having more stores open on Sundays. This will remove one of the biggest complaints that we hear from our folks back home. We

support locating more wine and spirits shops inside or next to our grocery stores. We can preserve the wide product selection that exists now and put these products closer to products that the people want to buy, and Democrats want to keep prices low.

The Pennsylvania Liquor Control Board is the largest single buyer of alcoholic beverages in the nation. The bulk purchasing power means consistently lower prices in Pennsylvania than consumers can purchase alcoholic beverages with in other States. And we want to keep in place, it is important for all of us, to keep in place the protections against underage purchases that are such a large part of our current system.

And finally, we want to preserve the thousands of Pennsylvania jobs in our State stores and our beer distributors throughout this Commonwealth. Under this bill today, those jobs will be gone; they will be eliminated.

Mr. Speaker, this bill makes no sense. It truly is March Madness. What the people of Pennsylvania want us to do is to keep our eye on the ball. They want us to be concerned about several things: jobs, quality health care, better education, safer roads and bridges. And, Mr. Speaker, this bill does none of those things. We all should vote "no." Thank you, Mr. Speaker.

## FILMING PERMISSION

The SPEAKER. The Speaker gives permission for media access to the House floor to Mark Pynes of PA Media Group for still photos and to Jon Eirkson of ABC-27 News out of Harrisburg for videotaping with audio for approximately 10 minutes.

## CONSIDERATION OF HB 790 CONTINUED

### POINT OF ORDER

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

On that question, the Speaker recognizes the gentleman from Allegheny County, Mr. Turzai.

Mr. TURZAI. Mr. Speaker, point of order. I just wanted to—

The SPEAKER. The gentleman will state his point of order.

Mr. TURZAI. I just wanted to make sure that if any other members prior to my opportunity to have final remarks as the leader, if anybody else had any other remarks on HB 790, if they wanted that opportunity, to please let the Speaker know.

The SPEAKER. As a point of order, the history is generally we try to conclude with the two floor leaders. However, it is not an absolute rule that somebody could not stand up and seek recognition again.

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

I rise in support of HB 790. We did, for some period of time under the last administration, leave many important issues aside. Over the last 2 years, and now at the beginning of this session, we have tackled the important issues facing the citizens of Pennsylvania. Unlike the previous administration, two budgets done on time with real fiscal responsibility and reduced overall spending while prioritizing money on our kids' education from K through 12. We have focused on family-sustaining jobs and private-sector job creation. And with respect to the growth of industry, we provided predictability and stability in the growth of Marcellus while providing additional regulations and an impact fee to provide balance in moving forward.

Now, when the other side was in the majority for 4 years with a Governor of their party, I would say, where was your modernization bill at that time or your transportation package or your impact fee? The Republicans got these items done and will continue to get important legislative items done. And we continue to do it—

### POINT OF ORDER

Mr. DERMODY. Mr. Speaker?

Mr. TURZAI. We continue to do it—

Mr. DERMODY. Mr. Speaker?

The SPEAKER. The gentleman will suspend a minute.

Does the gentleman, Mr. Dermody, have a point of order?

Mr. DERMODY. We understand there is some leeway allowed for leaders, but I believe we have gone way off the subject of this bill, which is an amendment to the Liquor Code.

The SPEAKER. I certainly understand the gentleman's point. It is clear that others have made some other references. You in fact made a reference that perhaps we were not dealing with transportation or some other things, so I believe I will allow the two leaders to continue to wander off onto the broader subjects that might be before this House. I will restrict other members from going that far afield. We are close to the edge, but we are not over it yet.

The gentleman, Mr. Turzai, may continue.

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

Now, under Governor Corbett's leadership, we are moving the sale of wine and spirits to a place that is more convenient for the consumers, for the citizens of Pennsylvania, while maintaining responsibility throughout the State. I want to read you not my words but words from newspapers across the State talking about changing the way we handled the sale of wine and spirits.

Today, in the Pocono Record, "...it's time for Pennsylvania to get out of the business and turn it over to private enterprise by permitting..." stores to sell alcoholic beverages. An "...important modification to..." the plan as set forth in this bill as amended "...will help ease the impact of the..." lost jobs. "The process would be gradual – the stores wouldn't all close down at once; they'd be phased out."

The paper continues to say that "Meanwhile, the state will still regulate how private stores and dealers can sell alcohol, and will still garner the taxes on those sales." "Beer distributors would get the first opportunity to buy one or more of the planned 1,200 wine and spirits licenses. Grocery stores and other businesses would be next in line." "Pennsylvanians recognize the tightly regulated, centralized bureaucracy that now runs the state store system as archaic,...a holdover from the Prohibition era."

The Philadelphia Inquirer had previously opined that "Rarely before has any government agency so succinctly, thoroughly, and convincingly made the case for its own elimination."

The Tribune Democrat said, "Plain and simple, the state needs to get out of the...business. Selling wine and liquor is not the purpose of state government. ...Government should not compete with the private sector."

The Bucks County Courier Times said that "The state store system is a relic of the past. It has to go."

The Butler Eagle: "If 48 states can sell wine and spirits through private stores, why not Pennsylvania?"

The Delaware County Daily Times: "The current system is a bad and expensive joke and the adult-beverage-drinking public is sick of being the punch line."

The Washington Observer: "We have faith that the free-enterprise system can do a better job of selling legal beverages to the people of Pennsylvania than an arm of the state government, and we would urge lawmakers in Harrisburg, especially those in leadership positions, to either work with the governor to make his proposal reality or, at the very least, get out of the way. The state has been stuck with this Prohibition-era albatross for far too long."

The Scranton Times said that "The PLCB would remain but in the appropriate role of a state agency, as a regulator rather than a retailer."

And in the York Daily Record, "It's fair to say that as a matter of principle, the state shouldn't be in the liquor business. It always seemed odd that the same government agency charged with controlling the sale of alcohol would be in the business of selling liquor and wine. Those two tasks seem contradictory – controlling consumption while increasing sales."

The fact of the matter is, the proposal as amended and here on the floor today, is an A-plus product. It in fact makes sure that there are opportunities for employees. It makes sure that beer distributors have the option of being able to sell spirits, wine, and beer. It makes sure that there are tougher regulations on the point of sale, and that if you violate it, you lose your license, protecting the citizens better than it ever has before. It has made sure that the LCB is in fact going to license, regulate, and law enforce, exactly what it should be doing. And it allows the private sector to be able to bring product and service to market like it does in every adjoining State to the State of Pennsylvania. This is win-win-win.

We are moving in the right direction. There are going to be thousands of new private-sector jobs, not only in the retail side but in the wholesale side. They will be family-sustaining jobs. And the bottom line is— Point of order, Mr. Speaker.

The SPEAKER. The House will come to order.

Mr. TURZAI. And in terms of everyday life, responsible people who are going about their daily lives will be able to go into a single location, and while they are picking up the rest of their groceries, will have the opportunity, should they so desire, in a legal manner, buying a legal product, pick up a bottle of wine and bring it home for their dinner with their family or with their guests, because that is what Pennsylvanians want to be able to do because they can do it in jurisdictions all across this country.

This is a great opportunity for Pennsylvania, it is a historic opportunity, and we should seize it and vote "yes." Thank you very much.

### FILMING PERMISSION

The SPEAKER. The Speaker gives permission for media access to the floor to James Roxbury of Roxbury News for videotaping and videotaping with audio for approximately 10 minutes.

**CONSIDERATION OF HB 790 CONTINUED**

On the question recurring,

Shall the bill pass finally?

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

The following roll call was recorded:

**YEAS—105**

Adolph	Gillespie	Mackenzie	Reed
Aument	Gingrich	Maher	Reese
Baker	Godshall	Major	Regan
Barrar	Greiner	Maloney	Roae
Benninghoff	Grell	Marshall	Rock
Bloom	Grove	Marsico	Ross
Boback	Hackett	Masser	Saccone
Brooks	Hahn	McGinnis	Sankey
Brown, R.	Harhart	Mentzer	Saylor
Causar	Harper	Metcalfe	Scavello
Christiana	Harris, A.	Metzgar	Simmons
Corbin	Heffley	Micozzie	Smith
Cox	Helm	Millard	Sonney
Culver	Hennessey	Miller	Stephens
Cutler	Hess	Milne	Stern
Day	Hickernell	Moul	Stevenson
Delozier	James	Mustio	Swanger
Denlinger	Kampf	O'Neill	Tallman
Dunbar	Kauffman	Oberlander	Taylor
Ellis	Keller, F.	Payne	Tobash
Emrick	Keller, M.K.	Peifer	Toepel
English	Killion	Petri	Toohil
Evankovich	Knowles	Pickett	Truitt
Everett	Krieger	Pyle	Turzai
Fee	Lawrence	Quinn	Vereb
Fleck	Lucas	Rapp	Watson
Gabler			

**NAYS—90**

Barbin	DeLissio	Kavulich	Neuman
Bishop	DeLuca	Keller, W.	O'Brien
Bizzarro	Dermoddy	Kim	Painter
Boyle, B.	DiGirolamo	Kinsey	Parker
Boyle, K.	Donatucci	Kirkland	Pashinski
Bradford	Evans	Kortz	Petrarca
Briggs	Fabrizio	Kotik	Ravenstahl
Brown, V.	Farina	Kula	Readshaw
Brownlee	Farry	Longietti	Roebuck
Burns	Flynn	Mahoney	Rozzi
Caltagirone	Frankel	Markosek	Sabatina
Carroll	Freeman	Matzie	Sainato
Clay	Gainey	McCarter	Samuelson
Clymer	Galloway	McGeehan	Santarsiero
Cohen	Gergely	McNeill	Schlossberg
Conklin	Gibbons	Mirabito	Snyder
Costa, P.	Gillen	Miranda	Sturla
Cruz	Goodman	Molchany	Thomas
Daley, M.	Haggerty	Mullery	Vitali
Daley, P.	Hanna	Mundy	Waters
Davidson	Harhai	Murt	White
Dean	Harkins	Neilson	Youngblood
Deasy	Harris, J.		

**NOT VOTING—0****EXCUSED—6**

Costa, D.	Haluska	Sims	Wheatley
Davis	Miccarelli		

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

We have a couple more resolutions to run through real quickly.

**CALENDAR CONTINUED****RESOLUTIONS**

Mr. SACCONI called up **HR 17, PN 74**, entitled:

A Resolution recognizing April 30, 2013, as "National Fast Day" in honor of the 150th anniversary of President Abraham Lincoln's Proclamation Appointing a National Fast Day.

On the question,

Will the House adopt the resolution?

The SPEAKER. Is the gentleman from Philadelphia County, Mr. Cohen, seeking recognition on the resolution? The gentleman is in order.

Mr. COHEN. Mr. Speaker, this resolution pales in insignificance compared to what we have just done, but it goes too far. It urges Congress, it urges the population to engage in a religious holiday, in a new religious holiday that this resolution seeks to help create. That is not the role of the Pennsylvania House of Representatives. We are not a body of religious leadership. That is not our job. We are a secular body. We deal with secular things. We do not deal with religious expression. There is no such day as Mr. Saccone is projecting. He is trying to create a day of national repentance. That is not for us to get involved in a religious controversy. I have no problem with Mr. Saccone getting involved in such a controversy, but it is not for us to do.

In addition to this, as part of the argumentation for why we ought to do it, the resolution contains the full text of a prayer given by Abraham Lincoln. We, in our daily capacity, listen to many, many prayers here in the House, back in our districts. We do not vote on the prayers. We are not in the business of approving prayers. Approving prayers is not a legislative function. It should not be a legislative function. The right to approve a prayer, the right to disapprove a prayer, that is not our goal. It is not our role to evaluate prayers. It is not our role to approve some prayers and disapprove others.

For both of these reasons, I personally am voting "no" and would urge others to vote "no" on this resolution as well.

On the question recurring,

Will the House adopt the resolution?

The following roll call was recorded:

**YEAS—160**

Adolph	Everett	Killion	Peifer
Aument	Fabrizio	Kim	Petrarca

Baker	Farina	Kinsey	Petri
Barbin	Farry	Knowles	Pickett
Barrar	Fee	Kortz	Pyle
Benninghoff	Fleck	Kotik	Quinn
Bishop	Flynn	Krieger	Rapp
Bizzarro	Gabler	Lawrence	Ravenstahl
Bloom	Gainey	Longietti	Readshaw
Boback	Galloway	Lucas	Reed
Boyle, B.	Gergely	Mackenzie	Reese
Boyle, K.	Gibbons	Maher	Regan
Brooks	Gillen	Mahoney	Roae
Brown, R.	Gillespie	Major	Rock
Burns	Gingrich	Maloney	Rozzi
Caltagirone	Godshall	Markosek	Sabatina
Causar	Greiner	Marshall	Saccone
Christiana	Grell	Marsico	Sainato
Clay	Grove	Masser	Samuelson
Clymer	Hackett	Matzie	Sankey
Conklin	Haggerty	McGeehan	Saylor
Corbin	Hahn	McGinnis	Scavello
Costa, P.	Harhai	McNeill	Schlossberg
Cox	Harhart	Mentzer	Simmons
Culver	Harkins	Metcalfe	Smith
Cutler	Harper	Metzgar	Snyder
Davidson	Harris, A.	Micozzie	Sonney
Day	Harris, J.	Millard	Stephens
Deasy	Heffley	Miller	Stern
DeLissio	Helm	Milne	Stevenson
DeLozier	Hennessey	Miranda	Swanger
DeLuca	Hess	Moul	Tallman
Denlinger	Hickernell	Murt	Taylor
DiGirolamo	James	Mustio	Tobash
Donatucci	Kampf	Neuman	Toepel
Dunbar	Kauffman	O'Neill	Turzai
Ellis	Kavulich	Oberlander	Vereb
Emrick	Keller, F.	Painter	Watson
English	Keller, M.K.	Parker	White
Evankovich	Keller, W.	Payne	Youngblood

## NAYS—35

Bradford	Dean	McCarter	Ross
Briggs	Dermody	Mirabito	Santarsiero
Brown, V.	Evans	Molchany	Sturla
Brownlee	Frankel	Mullery	Thomas
Carroll	Freeman	Mundy	Toohil
Cohen	Goodman	Neilson	Truitt
Cruz	Hanna	O'Brien	Vitali
Daley, M.	Kirkland	Pashinski	Waters
Daley, P.	Kula	Roebuck	

## NOT VOTING—0

## EXCUSED—6

Costa, D.	Haluska	Sims	Wheatley
Davis	Miccarelli		

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

\* \* \*

Mr. CALTAGIRONE called up **HR 51, PN 432**, entitled:

A Resolution recognizing May 2, 2013, as the "National Day of Prayer" in Pennsylvania.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

## YEAS—195

Adolph	English	Kinsey	Petrarca
Aument	Evankovich	Kirkland	Petri
Baker	Evans	Knowles	Pickett
Barbin	Everett	Kortz	Pyle
Barrar	Fabrizio	Kotik	Quinn
Benninghoff	Farina	Krieger	Rapp
Bishop	Farry	Kula	Ravenstahl
Bizzarro	Fee	Lawrence	Readshaw
Bloom	Fleck	Longietti	Reed
Boback	Flynn	Lucas	Reese
Boyle, B.	Frankel	Mackenzie	Regan
Boyle, K.	Freeman	Maher	Roae
Bradford	Gabler	Mahoney	Rock
Briggs	Gainey	Major	Roebuck
Brooks	Galloway	Maloney	Ross
Brown, R.	Gergely	Markosek	Rozzi
Brown, V.	Gibbons	Marshall	Sabatina
Brownlee	Gillen	Marsico	Saccone
Burns	Gillespie	Masser	Sainato
Caltagirone	Gingrich	Matzie	Samuelson
Carroll	Godshall	McCarter	Sankey
Causar	Goodman	McGeehan	Santarsiero
Christiana	Greiner	McGinnis	Saylor
Clay	Grell	McNeill	Scavello
Clymer	Grove	Mentzer	Schlossberg
Cohen	Hackett	Metcalfe	Simmons
Conklin	Haggerty	Metzgar	Smith
Corbin	Hahn	Micozzie	Snyder
Costa, P.	Hanna	Millard	Sonney
Cox	Harhai	Miller	Stephens
Cruz	Harhart	Milne	Stern
Culver	Harkins	Mirabito	Stevenson
Cutler	Harper	Miranda	Sturla
Daley, M.	Harris, A.	Molchany	Swanger
Daley, P.	Harris, J.	Moul	Tallman
Davidson	Heffley	Mullery	Taylor
Day	Helm	Mundy	Thomas
Dean	Hennessey	Murt	Tobash
Deasy	Hess	Mustio	Toepel
DeLissio	Hickernell	Neilson	Toohil
DeLozier	James	Neuman	Truitt
DeLuca	Kampf	O'Brien	Turzai
Denlinger	Kauffman	O'Neill	Vereb
Dermody	Kavulich	Oberlander	Vitali
DiGirolamo	Keller, F.	Painter	Waters
Donatucci	Keller, M.K.	Parker	Watson
Dunbar	Keller, W.	Pashinski	White
Ellis	Killion	Payne	Youngblood
Emrick	Kim	Peifer	

## NAYS—0

## NOT VOTING—0

## EXCUSED—6

Costa, D.	Haluska	Sims	Wheatley
Davis	Miccarelli		

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

\* \* \*



Mr. BARRAR called up **HR 172, PN 1200**, entitled:

A Resolution beseeching the United States Department of Defense to reconsider the order of precedence for the newly created Distinguished Warfare Medal.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

#### YEAS—195

Adolph	English	Kinsey	Petrarca
Aument	Evankovich	Kirkland	Petri
Baker	Evans	Knowles	Pickett
Barbin	Everett	Kortz	Pyle
Barrar	Fabrizio	Kotik	Quinn
Benninghoff	Farina	Krieger	Rapp
Bishop	Farry	Kula	Ravenstahl
Bizzarro	Fee	Lawrence	Readshaw
Bloom	Fleck	Longietti	Reed
Boback	Flynn	Lucas	Reese
Boyle, B.	Frankel	Mackenzie	Regan
Boyle, K.	Freeman	Maher	Roae
Bradford	Gabler	Mahoney	Rock
Briggs	Gainey	Major	Roebuck
Brooks	Galloway	Maloney	Ross
Brown, R.	Gergely	Markosek	Rozzi
Brown, V.	Gibbons	Marshall	Sabatina
Brownlee	Gillen	Marsico	Saccone
Burns	Gillespie	Masser	Sainato
Caltagirone	Gingrich	Matzie	Samuelson
Carroll	Godshall	McCarter	Sankey
Causar	Goodman	McGeehan	Santarsiero
Christiana	Greiner	McGinnis	Saylor
Clay	Grell	McNeill	Scavello
Clymer	Grove	Mentzer	Schlossberg
Cohen	Hackett	Metcalfe	Simmons
Conklin	Haggerty	Metzgar	Smith
Corbin	Hahn	Micozzie	Snyder
Costa, P.	Hanna	Millard	Sonney
Cox	Harhai	Miller	Stephens
Cruz	Harhart	Milne	Stern
Culver	Harkins	Mirabito	Stevenson
Cutler	Harper	Miranda	Sturla
Daley, M.	Harris, A.	Molchany	Swanger
Daley, P.	Harris, J.	Moul	Tallman
Davidson	Heffley	Mullery	Taylor
Day	Helm	Mundy	Thomas
Dean	Hennessey	Murt	Tobash
Deasy	Hess	Mustio	Toepel
DeLissio	Hickernell	Neilson	Toohil
Delozier	James	Neuman	Truitt
DeLuca	Kampf	O'Brien	Turzai
Denlinger	Kauffman	O'Neill	Vereb
Dermody	Kavulich	Oberlander	Vitali
DiGirolamo	Keller, F.	Painter	Waters
Donatucci	Keller, M.K.	Parker	Watson
Dunbar	Keller, W.	Pashinski	White
Ellis	Killion	Payne	Youngblood
Emrick	Kim	Peifer	

#### NAYS—0

#### NOT VOTING—0

#### EXCUSED—6

Costa, D.	Haluska	Sims	Wheatley
Davis	Miccarelli		

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

The SPEAKER. There will be no further votes.

#### STATEMENT BY MR. KIRKLAND

The SPEAKER. Is the gentleman from Delaware County, Mr. Kirkland, seeking recognition under unanimous consent?

Mr. KIRKLAND. Thank you, Mr. Speaker. Yes.

Mr. Speaker, a little earlier tonight, you basically chastised, and rightfully so, members who were up in the balcony, and you said that you wanted to make sure that order was – that business was conducted properly and order was carried out here in the House, and I agree, I concur 100 percent. But, Mr. Speaker, I think when we do that, we ought to lead by example. And I say that, Mr. Speaker, because tonight has been a very difficult night for a lot of folks on both sides, and more so for the folks who probably are going to be losing their jobs. For a member of this House, after taking the vote, for a member of this House to turn around and applaud and basically laugh in the face of those persons who are about to lose their jobs is wrong, is wrong.

And if we are going to lead, Mr. Speaker, we ought to learn how to lead by example. And that, Mr. Speaker, was wrong, and we ought to be admonishing that individual. Thank you.

#### REPORT OF COMMITTEE ON COMMITTEES

The SPEAKER. The clerk will read the following supplemental report from the Committee on Committees.

The following report was read:

#### Committee on Committees Supplemental Report

In the House of Representatives  
March 21, 2013

RESOLVED, That

Representative Marcy Toepel, Montgomery County, is resigning as a member of the Judiciary Committee.

Representative Kerry Benninghoff, Centre and Mifflin Counties, is resigning as a member of the Professional Licensure Committee.

Representative Marcy Toepel, Montgomery County, is elected as a member of the Professional Licensure Committee.

Representative Dick Hess, Bedford, Fulton and Huntingdon Counties, is elected as a member of the Judiciary Committee.

Respectfully submitted,  
Nicholas A. Micozzie, Chairman  
Committee on Committees

On the question,  
Will the House adopt the resolution?  
Resolution was adopted.

**BILL RECOMMITTED**

The SPEAKER. The Speaker recognizes the majority leader, who moves that HB 293 be recommitted to the Committee on Appropriations.

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

**BILLS AND RESOLUTIONS PASSED OVER**

The SPEAKER. Without objection, all remaining bills and resolutions on today's calendar will be passed over. The Chair hears no objection.

**ADJOURNMENT**

The SPEAKER. Seeing no further business before this House, the Speaker recognizes the gentleman, Mr. Sankey, from Clearfield County, who moves that this House do adjourn until Monday, April 8, 2013, at 1 p.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 8:42 p.m., e.d.t., the House adjourned.