

COMMONWEALTH OF PENNSYLVANIA

Legislative Journal

MONDAY, MARCH 13, 1978

Session of 1978

162nd of the General Assembly

Vol. 1, No. 15

SENATE

MONDAY, March 13, 1978.

The Senate met at 1:00 p.m., Eastern Standard Time.

The PRESIDENT pro tempore (Martin L. Murray) in the Chair.

PRAYER

The Chaplain, The Reverend Father JOSEPH F. SMITH, Pastor of St. Christopher's Catholic Church, Philadelphia, offered the following prayer:

O Almighty and Heavenly Father, source of all justice and authority, from Whom come all goodness and wisdom, we ask Your blessing upon this assembly of leaders: Enlighten their minds, sharpen their intellects, inflame their hearts so they will be able to perform their duties for the general welfare of our Commonwealth.

O Spirit of truth and love, correct our perception to ascertain and uphold and defend all that is good, right and just.

O Spirit of fortitude, grant us Your courage, perseverance and patience to abide by Your Commandments and by the convictions of our conscience.

In the complexity of modern society, give us the patience to temper our judgments, to weigh all issues with calm objectivity, free from emotional distress, from bias and prejudices.

Bless us assembled here in the name of freedom, bless our decisions and bless those for whom we have been elected.

We ask this in the power and beauty of Your Sacred Name. Amen.

The PRESIDENT pro tempore. The Chair wishes to thank Father Smith, who is the guest this week of Senator Lewis.

JOURNAL APPROVED

The PRESIDENT pro tempore. A quorum of the Senate being present, the Clerk will read the Journal of the preceding Session.

The Clerk proceeded to read the Journal of the preceding Session, when, on motion of Senator MESSINGER, further reading was dispensed with, and the Journal was approved.

LEAVE OF ABSENCE

Senator MESSINGER asked and obtained leave of absence for Senator NOLAN, for today's Session, for personal reasons.

COMMUNICATION FROM THE GOVERNOR

NOMINATION BY THE GOVERNOR REFERRED TO COMMITTEE

The Secretary to the Governor being introduced, presented communication in writing from His Excellency, the Governor of the Commonwealth, which was read as follows, and referred to the Committee on Rules and Executive Nominations:

MEMBER OF THE BOARD OF TRUSTEES OF CONNELLSVILLE STATE GENERAL HOSPITAL

March 8, 1978.

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Paul J. Rohal, 1420 South Pittsburgh Street, South Connellsville 15425, Fayette County, Thirty-second Senatorial District, for reappointment as a member of the Board of Trustees of Connellsville State General Hospital, to serve until the third Tuesday of January 1983, and until his successor is appointed and qualified.

MILTON J. SHAPP.

CHANGE IN STANDING COMMITTEE

The PRESIDENT pro tempore. As President pro tempore of the Senate of Pennsylvania, I hereby appoint Senator J. Barry Stout to serve as a member of the Senate Committee on Insurance. This appointment is effective immediately.

GENERAL COMMUNICATION

FIRST ANNUAL REPORT OF THE PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

The PRESIDENT pro tempore laid before the Senate the following communication, which was read by the Clerk as follows:

DEPARTMENT OF JUSTICE OFFICE OF CONSUMER ADVOCATE

March, 1978.

Hon. Ernest P. Kline, Lieutenant Governor Commonwealth of Pennsylvania 200 Main Capitol Harrisburg, Pennsylvania 17120

Dear Lieutenant Governor Kline:

I am attaching for your information a copy of the first annual report of the Pennsylvania Office of Consumer Advocate. This report is being submitted in accordance with requirements contained in Act 161 of 1976 which created this Office. The report attempts to summarize the activities of this Office during its first fourteen months of operation.

There are a number of conclusions which we have drawn based on our first year of experience which we think can be produced from the information contained in our report:

1. Regulatory matters before the Public Utility Commission and before federal regulatory agencies are extremely complex and difficult, making these proceedings well beyond the technical expertise or financial ability of the average consumer to handle. In addition, the average consumer cannot compete with the huge amounts of resources which are devoted by the regulated companies in an attempt to convince the regulatory agency that its position is correct. Duquesne Light Company, for example, is spending an amount which is more than two thirds of our annual budget for fiscal 1977-78 on its one major rate case. Under the circumstances, our experience indicates to us that there is a very great need for consumer advocacy before regulatory agencies in general and before the PUC, the Federal Energy Regulatory Commission and the Federal Communications Commission in particular.

2. Given the commitment of resources that is necessary in order to do a meaningful job in any given case it must be considered whether increased resources should be devoted in an attempt to influence regulation on the Washington level so as to gain results more favorable to the interests of consumers in Pennsylvania. Our experience in Washington had demonstrated that no significant consumer representation has taken place or will take place of benefit to Pennsylvania's consumers unless greater resources are devoted to this activity. Natural gas regulation in particular is a matter of prime concern to millions of Pennsylvanians and serious consideration must be given to how we can best respond to these concerns.

3. From our vantage point we perceive a deepening crisis regarding the cost and availability of energy and, in particular, a severe economic impact that rising energy costs are having on many low and middle income citizens of Pennsylvania. While the presence of this Office has, without doubt, resulted in the presentation of evidence that has already saved Pennsylvania consumers millions of dollars in a number of proceedings in which we have participated, there is no point in deluding ourselves about the long term picture. The long term picture is clearly one of increasing costs of all sources of fuel and energy with increasing economic social and political impact for all of us. Under the circumstances it is critical that Pennsylvania develop a stronger and more coherent energy plan for the future and a stronger more centralized agency to coordinate energy decision making. It is also critical that we encourage our leaders at the national level to develop a meaningful energy program and a meaningful incomes program so that those in the low and middle income categories will somehow be able to cope with the heavy increases in energy costs that are now impacting on them and which will continue to get worse.

Our Office is proud of what we have been able to accomplish during our first year of operation. We do sincerely believe that the basic concept upon which this Office was established, namely that consumer interests need meaningful representation in matters involving hundreds of millions of dollars of their hard earned income, is a sound one and should be continued. We hope that the members of the General Assembly and the Governor will see fit to ensure meaningful representation of consumer interests in the future.

Very truly yours,
MARK P. WIDOFF
Consumer Advocate

The PRESIDENT pro tempore. The report will be printed in the Appendix of the Senate Journal.

BILL INTRODUCED AND REFERRED

Senator GURZENDA presented to the Chair SB 1343, entitled:

An Act amending the act of April 12, 1951 (P. L. 90, No. 21), entitled "Liquor Code," further providing for the issuance of special Sunday permits to certain licensees.

Which was committed to the Committee on Law and Justice.

SENATE CONCURRENT RESOLUTION RECESS ADJOURNMENT

Senator MESSINGER offered the following resolution, which was read, considered and adopted:

In the Senate, March 13, 1978.

RESOLVED, (the House of Representatives concurring), That when the Senate adjourns this week it reconvene on Monday, April 3, 1978 unless sooner recalled by the President Pro Tempore, and when the House of Representatives adjourns this week it reconvene on Monday, April 3, 1978 unless sooner recalled by the Speaker of the House of Representatives.

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

RECESS

Senator MESSINGER. Mr. President, at this time I request a recess of the Senate for the purpose of a Democratic caucus to begin promptly at 1:45 with the expectation of returning to the floor at 3:30.

Senator STAUFFER. Mr. President, I would like to call a caucus for the Republican Members for 1:30 and would ask the Members to report promptly, because, in addition to consideration of the Calendar, we will have visiting with us the Governor's nominee for the Public Utility Commission, Mr. Goode.

The PRESIDENT pro tempore. The Senate will stand in recess until 3:30 p.m.

AFTER RECESS

The PRESIDENT pro tempore. The time of recess having elapsed, the Senate will be in order.

CALENDAR

SB 1304 CALLED UP OUT OF ORDER

SB 1304 (Pr. No. 1615) — Without objection, the bill was called up out of order, from page 4 of the Third Consideration Calendar, by Senator MESSINGER.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 1304 (Pr. No. 1615) — Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—46

Andrews,	Hager,	Manbeck,	Ross,
Arlene,	Hankins,	McKinney,	Scanlon,
Bell,	Hess,	Mellow,	Schaefer,
Coppersmith,	Holl,	Messinger,	Smith,
Corman,	Hopper,	Moore,	Snyder,

Dougherty,	Howard,	Murray,	Stapleton,
Duffield,	Jubelirer,	Noszka,	Stauffer,
Dwyer,	Kelley,	O'Pake,	Stout,
Early,	Kury,	Orlando,	Sweeney,
Fleming,	Kusse,	Reibman,	Tilghman,
Gekas,	Lewis,	Romanelli,	Zemprelli,
Guزندا,	Lynch,		

NAYS—0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Clerk present said bill to the House of Representatives for concurrence.

FINAL PASSAGE CALENDAR

BILLS DEFEATED ON FINAL PASSAGE

SB 494 (Pr. No. 1622) — And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

Senator ORLANDO. Mr. President, three years ago the Senate of Pennsylvania ordered the Committee on Finance to look into property tax assessment practices.

The resolution cited evidence of unfairness and inequity. The resolution talked of an assessment system that worked against the Pennsylvania taxpayer. The Committee on Finance conducted that investigation. We saw evidence of unfairness. We saw proof of inequity. We cited this evidence and this proof in our report.

More than this, we heard from taxpayers and public officials alike that the time has come to end this confusing, unfair and out-of-date system.

The package of bills before us is the direct result of that investigation; the direct result of the resolution and the direct result of the complaints and pleas we heard. There are multiple bills because there are multiple assessment laws. The bills are complex because the laws they seek to amend are a maze of confusion. The difference is with our bills, the maze will work for the taxpayer instead of against him.

These are complicated matters and I have worked extremely close with the gentleman from Bucks, Senator Lewis, Chairman of the Committee on Local Government. I have asked the gentleman to assist me in answering any questions that may come up relative to these complicated laws.

Mr. President, I might also point out that this was a priority item of the policy committee of the Democratic caucus and also point out that none of these bills will go into effect until January 1, 1980.

Senator ZEMPRELLI. Mr. President, I desire to interrogate the gentleman from Erie, Senator Orlando.

The PRESIDENT pro tempore. Will the gentleman from Erie, Senator Orlando, permit himself to be interrogated?

Senator ORLANDO. I will, Mr. President.

Senator ZEMPRELLI. Mr. President, there is a package of bills on today's Calendar which, for one reason or another, deal with the same subject matter. As I understand it, the major impact of the proposed legislation would be to require all counties

to assess the real estate within those counties at 100 per cent of their market value.

Understanding that premise, I would ask the gentleman, first of all, what advantage is there insofar as intercounty effects would be by virtue of requiring that every county be assessed at 100 per cent of market value?

Senator ORLANDO. Mr. President, first of all, each county does presently assess at 100 per cent of the fair market value of the property. The main thing that they do differently, within different counties, is that some use a figure of twenty per cent, some might use a figure of thirty per cent, others might use fifty per cent of the fair market value when they determine the millage which they use to raise the revenue on that particular piece of property.

Senator ZEMPRELLI. Mr. President, the gentleman has answered another inquiry that I was going to make of him. However, the question recurs—and perhaps maybe I better restate it—What benefit would there inure to any county by virtue of having any other county assessed at 100 per cent?

Senator ORLANDO. The benefit, Mr. President, in my opinion, would be that each and every county would be uniform in the practice of the assessment within that particular county; even though it might not have any bearing from one county to the other, at least there would be uniformity throughout the whole Commonwealth of Pennsylvania.

Senator ZEMPRELLI. Mr. President, other than the fact that every county would be assessed at 100 per cent of market value, there would be no other benefit arising from any other level of government, is that a correct statement?

Senator ORLANDO. Mr. President, no other benefit per county except the understanding that my county does it the same as Allegheny County does it.

Senator ZEMPRELLI. The gentleman, I believe, has answered this question, Mr. President, but I am going to ask it again.

Does the gentleman know of anything presently, with the exception of fourth through eighth class counties, which does not now require that the county assessors to assess at 100 per cent of market value?

Senator ORLANDO. Mr. President, I answered previously that each county does assess at 100 per cent of market value within that county. However, they do not use the full per cent upon which they base the millage that they charge for the property tax.

Senator ZEMPRELLI. Then, Mr. President, how do these bills change the present assessment practice at the local county level?

Senator ORLANDO. Mr. President, basically, I would say that the major change is that the millage would be dropped down in that particular county if they use the 100 per cent assessment figure in that county.

Senator ZEMPRELLI. Mr. President, my question was: How does this package of bills change the present practice for making assessments at the county level?

Senator ORLANDO. First of all, Mr. President, the gentleman is taking only one facet of the package of bills and that is, the assessment at the 100 per cent of the market value.

We also have in here the certification—basically, the troubles we had and the reasons for this investigation were the complaints we had relative to how the appraisal firms were conducting appraisals in the counties who hired them. What we have shown here is that some of the bills have a contract which is a uniform contract that the county commissioners can use prior to their hiring of an appraisal firm to do a reappraisal in their particular county. We also make it possible, through the Department of Community Affairs and the State Tax Equalization Board, to train the assessors so they can do a better job. We do not hire the assessors, we give them the tools to do a better job through both the State Tax Equalization Board and the Department of Community Affairs.

We have also established a building permit system in the counties. In many boroughs and townships, presently, there is no building permit system. Where this does not exist, our bills permit the county to take over the building permit system where the particular township or borough cannot afford it.

Senator ZEMPRELLI. Mr. President, is it not a fact that the local county tax assessments, which are made presently, cannot be reviewed or cannot be compelled by any other State agency at this time?

Senator ORLANDO. Cannot be compelled to have an assessment, Mr. President?

Senator ZEMPRELLI. Or reviewed by any State agency, Mr. President, is that not a fact?

Senator ORLANDO. I do not think so. I think that is the practice now.

Senator ZEMPRELLI. Mr. President, is it not a fact that if these bills pass, in one form or another, either staff of the State Tax Equalization Board, or an agency created as a subdivision or an underling to that organization, would have the actual power to come into the local county and tell them that their taxes are being assessed less than 100 per cent. Is that not a fact?

Senator ORLANDO. No, Mr. President, that is not a fact.

Senator ZEMPRELLI. What is the situation of compulsion, Mr. President?

Senator ORLANDO. Mr. President, it is not that they are being taxed at less than 100 per cent. First of all, the State Tax Equalization Board per se cannot mandate a reappraisal or reassessment in that county.

At the present time, the State Tax Equalization Board does review the sales and market value within that particular county and they are the ones who set the school subsidy for that particular county. They are already doing this work or this phase of the work that is being done.

When the State Tax Equalization Board feels there is a discrepancy between the sales and the assessed market value, they can refer this to the particular board that we are setting up here, the review board, and the review board can tell the county, with this legislation, Senate Bill No. 505, that they should and must have a reassessment. The particular county can appeal and have a hearing with the review board.

Senator ZEMPRELLI. Mr. President, I am not getting responsive answers to my direct questions. I am getting a review of the whole policy of the bills. The question is: Does the review board have the power to compel a local county to revise its as-

sessments because they are not at a 100 per cent of market value?

Senator ORLANDO. Mr. President, that is not the duty of the review board. They revise the assessment not because they are not 100 per cent, but because there is a discrepancy between the sales ratio and the market value as is so stated in that particular county.

Senator ZEMPRELLI. Mr. President, let me then restate the question. Does not the review board, under these proposed bills, have powers that they now do not have with respect to local autonomy within the county assessor's department?

Senator ORLANDO. Mr. President, will the gentleman please state that again?

Senator ZEMPRELLI. Mr. President, cannot the review board now compel, with the gentleman's bills, that the county assessors do something by way of assessment which they are not now required to do?

Senator ORLANDO. Mr. President, is the gentleman asking: Can they mandate them to do something?

Senator ZEMPRELLI. Compel it, require it, Mr. President, not should, but mandate.

Senator ORLANDO. Mr. President, they can mandate but they still have the right of a hearing before it is enforced.

Senator ZEMPRELLI. Mr. President, what will the gentleman's bills do that the present county commissioners and/or county assessors cannot now do under the present law?

Senator ORLANDO. Mr. President, number one, there is a bill here for the training of the assessors.

Senator ZEMPRELLI. Mr. President, would the gentleman stop right there? Cannot the review board or the State Tax Equalization Board do all of these things such as train employees and offer services and provide guidelines without the compulsion of requiring a local tax assessment department to make certain assessments or make findings if these assessments are not at 100 per cent of market value?

Senator ORLANDO. Mr. President, in order to have good assessments, I would assume that the people who are doing the assessments, including the appraisal firms who normally would come in to do the assessment—and it would be added to by the existing assessment bureau—I believe it would be very appropriate that the people who are doing the follow-up or doing the on-the-spot appraisal work in that particular county, should be capable of the job that they are hired to do. This is what we are trying to do. This also is what the assessors' association has been trying to do. We are giving them more tools with which to do it.

Senator ZEMPRELLI. Mr. President, I agree with the gentleman to the extent that the bills are extremely important bills and I, at one time before, addressed myself to the merit or lack of merit of the particular bills. I will try to be brief in my criticism of the bills before us.

First, to require that every county assess at 100 per cent of its assessed or market value has absolutely no interplay of benefit between counties. That is to suggest that there are no moneys which are derived at the State level which would be apportioned on the basis of one county assessing at twenty-five per cent of market value or another assessing at fifty per cent, or one-third.

The basis of any discrimination would be that if within a county structure, people of the same class or property of the same class, disparagement as to the percentage of market value to which the assessment would relate, in this situation we would now find a State agency, whether it be a board of review or whether it would be the State Tax Equalization Board, imposing an obligation of mandate upon the local assessors within a particular county to revise its assessment so that it would reflect 100 per cent of market value, whose only interest would be within the confines of that particular county.

The thing that would be done which, in a sense, would be so detrimental is that it would be a movement of power from the local government to the State government which, again, is telling in the capacity of a big brother, "We in Harrisburg know more about your local taxes than you do, the fellow on the street or the fellow next door."

Then they bring in, as I noticed in their analysis, that the judge of the Superior Court, Judge Roberts, has suggested that we are in the Dark Ages as far as our assessments are concerned. We should move to more modern techniques and, within the purview of these modern techniques you should have an analysis as to the comparison between a market value price and an assessment and what the property actually sells for. Based upon these statistics of interrelationship, all over this wonderful state, they will tell Ed Zemprelli, 1244 Bickerton Drive, what the value of his property is. Yet it is this same court, in other decisions, that has said that the unique and unusual aspect about real estate is that one parcel is inherently different than another, there is no reasonable basis upon which you can say that "A" property is the same as "B" property and "B" property is the same as "C" property.

The suggestion is that the person who is competent to do this sort of thing is the person who has that pencil down on the local level who is able to determine the condition of John Jones' property, the condition of Alice Smith's property and uses certain guidelines and uses certain methods. He then arrives at a market value and then he suggests as of that market value, that because we are treating everybody else in this county on the basis of fifty per cent of that value, within that county and not within the State, that that is the basis upon which the millage is assessed and the taxes are collected. That is the beautiful situation; that is not medieval; that is getting down to the nuts and bolts of understanding the differences between properties.

Now, leaving that phase of these bills, it moves into a second phase and says that if, in fact, everybody moving from a market value of 100 per cent, it produces revenues in excess of ten per cent the following year and five per cent into the second and third years, then some adjustment must be made. Realizing that situation, it suggests that if, in fact, assessments in Allegheny County, for example, are one-third, you would triple that assessment. A \$10,000 property would now be assessed at \$30,000 by virtue of the operation of these bills. That being 300 per cent greater, it is natural to assume that the revenues based on the prevailing millage would produce 300 per cent more income, but the law says that you can only produce ten, so that you then reduce that millage arbitrarily from the top.

That is the only way you can do it. There is no other way and that would be applied uniformly to produce the ten per cent additional revenue as it would affect the entire community. What we have succeeded in doing is amplifying the discrepancy because as long as we have human beings making the rendition of what is market value, we are dealing in a subject of total subjectivity and discrepancies will continue to arise. They are just put into a different arena.

If there were some benefit from this, if we could say that the State Tax Equalization Board, at a later time, will distribute moneys based on this 100 per cent of marketability, you might have some credence to what we are talking about. However, we do not have that; it is not part of the program.

Mr. President, as I said before, we argue that we have a great deal of concern about putting additional taxes on the local taxpayer by virtue of actions which take place in Harrisburg. If I ever saw a bonanza that would have its repercussions all over this Commonwealth, it would be after January 1, 1980, when the tax statements come out for the first time to reflect market value that would go anywhere from 400 per cent down to whatever the equation might bring.

What have we succeeded in doing in moving to this fanciful formula of suggesting that every county should go to the 100 per cent of marketability. We have taken every county commissioner throughout this Commonwealth off the hook because he is not the party who is making the tax increase. We are.

I went through this experience as a third-class city in Clairton when that community needed a ten per cent increase and did not have the courage nor the fortitude to move to a higher millage, but it resorted to the acceptance of the county assessments because, by convenience, the county assessments were equal to ten per cent higher than the assessments within that community. I suggest, Mr. President, that that is the reason why we are here today.

I suggest one further thing: As long as the local tax assessor is going to make the assessments, in the first instance and in the final instance, it does not make any difference whether it is going to be done as it is now or as it would be in the near future, the mechanics will be the same. We have only scrambled the formula, made it appear as though it would be assessment reform and change the character of players who will be responsible for this atrocious tax increase.

Senator BELL. Mr. President, I will not be as eloquent as the preceding speaker.

When I analyze this—and listening to what I think I know the law of Pennsylvania to be and the gentleman from Erie, Senator Orlando, has confirmed my thoughts—right now every county, on its own initiative, can reassess all its property up to 100 per cent. Why do we need the monument builders with the Susquehanna mud on their feet here in Harrisburg to come along and order the local elected officials to do what they are empowered to do?

I would suggest, Mr. President, if I were to go into the courthouse in the County of Delaware and tell the county council, which is equivalent to the county commissioners, that I am ordering them to raise all the assessments in the county to 100 per cent, they would throw me out on my ear.

Mr. President, if we pass this bill, we are, by legislative fiat, saying, every county commissioner and county councilman in this State is incompetent. I do not believe that is what I want to do.

Mr. President, I want to say one more thing on this point: That ten per cent rule which is hidden in here, that does not say a person cannot have his individual taxes raised by more than ten per cent, it says that the overall take of the taxing body cannot go up more than ten per cent. You may have some little old lady—some senior citizen down the road with a lot of relatives—have her taxes raised 100 per cent, and you will burn for that one.

I want to back up the gentleman from Allegheny, Senator Zemprelli. What the gentleman said is correct and it is found in Senate Bill No. 505. It says if this new board of review does not like the way the county commissioners, the county councilmen through the local board of revision of taxes, is doing their job, they can throw the whole thing out.

So here you now have the judgment of elected county officials replaced by nonelected big brothers from Harrisburg.

I will conclude with this statement: I think the county commissioners in Northampton County are a lot closer to the people of Northampton County than the Senator from Erie. I know the county councilmen in the County of Delaware are an awful lot closer to the people of the County of Delaware than any committee of this Senate.

Senator LEWIS. Mr. President, the gentleman from Allegheny, Senator Zemprelli, raised a number of questions which I think have to be answered because he is certainly echoing the concerns of most of the Members of this Body.

He has inquired as to what the benefit will be to the respective counties if we adopt this legislation. He has also appropriately raised the question concerning the impact or the perception of impact on the part of the people back home as far as the wisdom of the Legislature involving itself in their local taxing matters.

Mr. President, I believe the most important point of this entire bill is the fact that those who are going to benefit from it are these very people about whom the gentleman expresses a concern.

Our first line of questions should not be whether a county is going to benefit or, for that matter, whether we are taking county commissioners off the hook because they are not our principal responsibility, Mr. President. Nevertheless, there are benefits to be had by the counties. For example, we are going to find that, for the first time, we are going to give counties the opportunity to separate their assessment boards from their appeal boards. I think that everyone in this room recognizes that we are long overdue in terms of our need for separating these very important functions. That is a tangible benefit which will accrue as a result of the enactment of these bills.

We are also going to give our assessors, Mr. President, for the first time, the opportunity to deal with income-producing properties in a fashion that they need so badly. When we now look at the income method for appraisal we find that, short of going into court in a lengthy and expensive procedure, our assessors have no method for obtaining the information that they need to

have in order to make fair appraisals of these rental producing properties. There is probably not a Senator in here who can look to his county and find that the most flagrant abuses of the assessment process now comes from these apartment rental units and it is because of the inability of our assessors to get the information they need.

Much more important, Mr. President, are the benefits that will accrue to the 2,600 units of local government in Pennsylvania. While the counties themselves have the responsibility for fixing the assessment, this Legislature, in its wisdom, has seen fit to meddle in their tax policies since the first day we authorized the establishment of local governments. Yes, we have granted to them, Mr. President, the opportunity to fix their proportionate rate of assessment; we have granted to them the opportunity to determine their millage rates. However, we have decided that, here in Harrisburg, we can better see the needs of the taxpayers back home by arbitrarily limiting the millage amount which can be established by our supervisors, by our councilmen, by our county commissioners.

Herein, Mr. President, is where the major inequity of the present system has developed because, as we in Harrisburg have attempted to gauge the spending practices of municipal government based upon these artificially established millage limits, we have not had the ability or the determination to take into account the very wide disparities that result because of the flexibility permitted in terms of assessment practices in the various counties. The result has been one in which we find ourselves forcing municipality after municipality to resort to the courts for the determination of their taxing policies. I, for one, think we are badly misguided by forcing local communities to seek that kind of remedy, while, on the other hand, those communities which are located in counties which have adopted high proportionate assessment ratios are finding that the millage limits we have established provide them with more than ample funds to do the things they need to for their constituents.

The result, therefore, Mr. President, is that we find a deep split among local governments in Pennsylvania. A large group, on the one hand, being strangled to death because of what is a very low millage rate when applied under their assessment circumstances coming to this Legislature seeking, properly, our assistance and finding, appropriately so, on the other side of the issue, a large group of municipalities who say they have more than enough taxing capacity and if the millage authorization is raised they will be hounded by people back home because the Legislature in Harrisburg should not be telling them we have the right to increase those taxes.

It is a dilemma, Mr. President. It is a dilemma that we cannot face in any fashion other than now saying that we are going to have to make the determinations for evenness and equity in Pennsylvania in all of the aspects of real estate taxation. That is where the benefits accrue. They accrue to the people, the individual taxpayers, whom we represent by finally providing the opportunity for equality and evenhandedness across the Commonwealth of Pennsylvania, and we are going to give them the opportunity to judge for themselves rather than trying to go through complicated mathematical formulas to determine the

impact of the taxing policies upon them.

Yes, there may be the opportunity for abuse—I think that the gentleman from Erie, Senator Orlando, has taken every conceivable precaution against those problems occurring by this change—nevertheless, by failing to do anything we are, thereby, giving our blessing to the current system which does not only have the opportunity for abuse but, in fact, also is regularly abused day in and day out and we all know it.

Mr. President, the tax assessment programs now in Pennsylvania are in such poor shape that we are being confronted with situations where the Federal courts are imposing themselves upon county governments. If the Senate believes that there is going to be objection to having elected officials in Harrisburg make needed changes in county taxing assessment policies, try to fathom for a moment the resentment that people will rightly follow through with when they find the Federal courts are stepping in and making the mandates for tax assessment policies in their counties. It is happening right now. It is going on in Berks County and there are many other groups sitting on the side waiting to see the outcome of this case because, if it is successful—and it has enjoyed some success so far—I dare say that we are going to see Federal court challenges for virtually every county in this Commonwealth with regard to our tax assessment policies.

I, for one, happen to think that this Legislature can wait no longer. It is a difficult task. It may not be a politically popular task, but the consequences of doing nothing far exceed, in terms of their extreme hardship, the consequences of buckling down and dealing with the difficult problems before us.

Every one of us knows the need for local tax reform. We have talked about finding methods to reduce our dependency upon the real estate taxes for funding education and, yes, for funding the operation of local governments. However, Mr. President, we cannot begin to undertake that step until the foundation for the taxing system in the first place is firmly established.

With the current assessment procedures in Pennsylvania, attempts at comprehensive and meaningful local tax reform are destined to, at best, mediocre results. If we are committed to that kind of program, then I think it is necessary to make a commitment to stand tough on these tax assessment bills, to finally provide the opportunity for equality and, yes, to provide the opportunity for the counties now to help themselves through some of the information gathering opportunities which will be made available through the State Tax Equalization Board.

They need help over there. We know it. That board has been far from perfect and that may be too kind a commentary to make. However, I do not believe we can afford to delay necessary tax reform in Pennsylvania because of the need for administrative improvement in the State Tax Equalization Board. That can be accomplished and, I dare say, with relative simplicity.

The task is not an easy one, Mr. President. It may have its political pitfalls but we must decide whether we are going to be the harbingers of political concerns in the forefront rather than the real spokesmen here and the workmen for our constituents

back home who are pleading with us for local tax reform.

Senator KELLEY. Mr. President, the gentleman from Bucks makes a very strong and persuasive argument for local tax reform with which I concur. However, I do not believe this series of bills deals at all with tax reform. Indeed, these bills are dealing only and specifically with the method of assessing properties for tax purposes.

Mr. President, I can appreciate the development. As the chief sponsor of this bill stated, it came about because of certain public outcries of contracted reappraisal programs in certain counties of the Commonwealth. Indeed, there are some among us, Mr. President—I being one—who have experienced this prior to coming to this Body. Specifically I was involved in a contractual process of reappraisal.

I would like to share some things with my colleagues if I may, Mr. President, in the sense that today, as the gentleman from Delaware, Senator Bell, pointed out, the assessing body has the right and discretion to determine what percentage of appraised value they want to assess. Bear in mind there are two key words here, Mr. President: "Appraised value" is that which would be our beginning point. That is, hopefully, our market value. Our "assessed valuation"—and these bills would mandate it—would be the same as the appraised valuation.

As we have it now, the appraised valuation may be cut, so to speak, at a certain percentage. That varies from county to county. The tax millage is imposed upon the assessed valuation. If we are not at 100 per cent, we have two ways to raise taxes if we so desire. One is to increase the millage and the other is to increase the assessment to a greater percentage point.

Of course, I suppose these bills are beautiful if we are beginning from nothing to impose a program on the philosophy of tax assessment. I believe, however, since we have come this far and this long, we must recognize, as the gentleman from Allegheny pointed out in his first interrogation of the chief sponsor, what is to be gained from this. I would like to suggest that the answer given was "nothing." We would eventually be imposing, however, tremendous costs upon each county of this Commonwealth to go through a reappraisal program. Millions of parcels of property would have to be reappraised and the only people who would benefit would be those people who are the contractual parties who do this. However, every property owner would suffer because of the increase in taxes.

I believe these bills represent nothing more than a continuation of expanding government and giving less service. What has been suggested is that the parties—that is the commissioners and the assessing bodies of the municipalities—be given more specialized training. That, too, is available now, Mr. President.

I would like to suggest to the gentleman from Bucks, when he stated that there are artificial limits, there are no artificial limits. I believe we have imposed enough of our limitations upon local government officials. On the one hand the people want to have Home Rule and broaden their discretion and on the other hand we, their representatives, come in here and want to tighten up their discretion.

May I say most importantly, Mr. President, who are we to set forth a special type of standard of valuation in any given cir-

cumstances? Who are we to challenge the variations of appraisal companies in assessing and reappraising counties when we are honest enough to recognize that in court proceedings, as I have pointed out in the past, we can have appraisers come in and qualify as expert witnesses and vary as much as 100 per cent on the value of that property? This is in a court proceeding.

What are we seeking? What is our goal? Let us be realistic, Mr. President. We may not have a good situation but these bills will make it much worse.

Senator ORLANDO. Mr. President, I would like to add a few comments to the statement I have already made.

Mention was made concerning the ten per cent after the first year of a reappraisal in any particular county. I would like to point out to the gentleman from Allegheny, Senator Zemprelli, and my colleagues that this legislation was passed approximately a year, or a year and a half prior to the advent of these bills which are on our Calendar. Somebody in government must have felt that the counties, perhaps in their particular wisdom, were going to rip off the taxpayers because the legislation was passed long before the assessment package of bills.

The gentleman from Allegheny, Senator Zemprelli, mentioned uniformity. What benefit would there be in having uniformity of a process in each and every one of the sixty-seven counties of Pennsylvania? I would like to inquire of the gentleman: What benefit is it to have uniformity, which they are trying to achieve now, in a Vehicle Code throughout the fifty states of these United States? I think there is a basic reason in trying to get a uniform Vehicle Code in each and every state of the Union.

Mr. President, I desire to interrogate the gentleman from Delaware, Senator Bell.

The PRESIDENT pro tempore. Will the gentleman from Delaware, Senator Bell, permit himself to be interrogated?

Senator BELL. I will, Mr. President.

Senator ORLANDO. Mr. President, I believe the gentleman made a statement to the effect that he would not approach his council in Delaware County to ask for 100 per cent assessment or appraisal. May I ask the gentleman how the percentage is determined in his county now?

Senator BELL. Mr. President, I meant to convey the impression to the gentleman from Erie, that if I went in to my county council and told them that I was carrying a mandate from me to them to assess all the properties at 100 per cent, they would throw me out through the door.

Senator ORLANDO. Mr. President, that was my question. How do they—

Senator BELL. How would they throw me through the door, Mr. President? Forcibly.

Senator ORLANDO. No, Mr. President. How do they presently assess if it is not at 100 per cent?

Senator BELL. Mr. President, the appraisement is supposedly at 100 per cent, and the assessment is somewhere around twenty-four per cent or twenty-five per cent.

Senator ORLANDO. Therefore, Mr. President, the assessment is a percentage of the appraised market value. You are still at 100 per cent, only they take a percentage of that 100 per

cent on which they base their millage for the gentleman's particular county. Am I right?

Senator BELL. Mr. President, I believe the gentleman has made my point. We are appraised at 100 per cent; why should we be assessed at 100 per cent?

And the question recurring,
Shall the bill pass finally?

(During the calling of the roll, the following occurred:)

Senator ARLENE. Mr. President, I would like to change my vote from "aye" to "no."

The PRESIDENT pro tempore. The gentleman will be so recorded.

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—16

Corman,	Holl,	Messinger,	Scanlon,
Duffield,	Howard,	Moore,	Stapleton,
Fleming,	Kury,	Orlando,	Stauffer,
Gekas,	Lewis,	Reibman,	Sweeney,

NAYS—30

Andrews,	Hager,	Manbeck,	Ross,
Arlene,	Hankins,	McKinney,	Schaefer,
Bell,	Hess,	Mellow,	Smith,
Coppersmith,	Hopper,	Murray,	Snyder,
Dougherty,	Jubelirer,	Noszka,	Stout,
Dwyer,	Kelley,	O'Pake,	Tilghman,
Early,	Kusse,	Romanelli,	Zemprelli,
Gurzenda,	Lynch,		

Less than a majority of all the Senators having voted "aye," the question was determined in the negative.

SB 498 (Pr. No. 1623)— And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—16

Corman,	Holl,	Messinger,	Scanlon,
Duffield,	Howard,	Moore,	Stapleton,
Fleming,	Kury,	Orlando,	Stauffer,
Gekas,	Lewis,	Reibman,	Sweeney,

NAYS—30

Andrews,	Hager,	Manbeck,	Ross,
Arlene,	Hankins,	McKinney,	Schaefer,
Bell,	Hess,	Mellow,	Smith,
Coppersmith,	Hopper,	Murray,	Snyder,
Dougherty,	Jubelirer,	Noszka,	Stout,
Dwyer,	Kelley,	O'Pake,	Tilghman,
Early,	Kusse,	Romanelli,	Zemprelli,
Gurzenda,	Lynch,		

Less than a majority of all the Senators having voted "aye," the question was determined in the negative.

SB 500 (Pr. No. 1624) — And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—16

Corman,	Holl,	Messinger,	Scanlon,
Duffield,	Howard,	Moore,	Stapleton,
Fleming,	Kury,	Orlando,	Stauffer,
Gekas,	Lewis,	Reibman,	Sweeney,

NAYS—30

Andrews,	Hager,	Manbeck,	Ross,
Arlene,	Hankins,	McKinney,	Schaefer,
Bell,	Hess,	Mellow,	Smith,
Coppersmith,	Hopper,	Murray,	Snyder,
Dougherty,	Jubelirer,	Noszka,	Stout,
Dwyer,	Kelley,	O'Pake,	Tilghman,
Early,	Kusse,	Romanelli,	Zemprelli,
Gurzenda,	Lynch,		

Less than a majority of all the Senators having voted "aye," the question was determined in the negative.

THIRD CONSIDERATION CALENDAR

**BILL REREPORTED FROM COMMITTEE
AS AMENDED OVER IN ORDER**

SB 1145 — Without objection, the bill was passed over in its order at the request of Senator MESSINGER.

BILL OVER IN ORDER

HB 191 — Without objection, the bill was passed over in its order at the request of Senator MESSINGER.

BILL ON THIRD CONSIDERATION AMENDED

HB 235 (Pr. No. 255) — Considered the third time,

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

ZEMPRELLI AMENDMENTS

Senator ZEMPRELLI, by unanimous consent, offered the following amendments:

Amend Title, page 1, line 1, by striking out "Amending" and inserting: Repealing

Amend Title, page 1, line 9, by removing the comma after "purposes" and inserting a period.

Amend Title, page 1, lines 9 through 11, by striking out "further providing for counties" in line 9, and all of lines 10 through 11

Amend Sec. 1, pages 1 and 2, line 22, by striking out "amended by adding a section to read" in line 22, and all of line 1, page 2, and inserting: repealed.

Amend Sec. 1 (Sec. 1.1), page 2, lines 2 through 5, by striking out all of said lines

On the question,
Will the Senate agree to the amendments?

Senator ZEMPRELLI. Mr. President, the amendments are

rather simple amendments. They simply repeal the Intangible Personal Property Tax Act.

The only matter which can be argued favorably for the personal property tax is that it produces revenue. A number of people with whom I have personally discussed the application and operation of the county personal property tax is simply that it does produce revenue. There is no way to get around that, it does.

Again it is a matter of philosophy, belief and understanding that certain taxes are totally inequitable and should be taken from our books and the loss of revenues should be absorbed in some other fashion. Classically, the Intangible Personal Property Tax fits every one of those classifications.

What does it do? If I were to call my broker tomorrow morning, the first question I would ask him: Is this security subject to the personal property tax at the county level? The answer would determine whether I personally would buy that security. Why? Because the tax in Allegheny County—and I assume it would be comparable in the other counties throughout the State—would be the equivalent of four mills on the face amount of that security as of the first day of the year for which the tax is imposed.

Unfortunately, the objection to the tax lies in the fact that it is not equally applied as to the class of security purchased. It is the exemptions that bother me. For example—and there are a litany of them—if you buy stock in United States Steel Corporation, you do not pay the tax. Why do you not pay the tax? You do not pay the tax because it is either a Pennsylvania corporation or one qualified to do business in Pennsylvania.

If, on the other hand, I buy securities of UGC, another capital stock that does not enjoy the Pennsylvania franchise or which is not authorized to do business in Pennsylvania, I must pay on the value of that security as of the first day of the year.

The point is, Mr. President, that the tax has no application as to the income, interest or value of the security as an investment. What happens is that that may not pay any dividends. It may be a defunct corporation. Of course, that would reflect upon its value. However, the problem arises with individuals who are not sophisticated investors. These are the individuals who deal with themselves or simply call and buy a security and do not ask the pivotal question as to its taxability.

Consider the situation where the mother lends her son any sum of money at no interest. The mother, in the interest of protecting her other children, feels as though she should record a judgment note in order to make sure this individual understands that they must pay it back. She will receive a notice from the county personal property tax collector the first of the year which states, "Mrs. Smith, send me four mills on the value of that loan," the dollar value of it, independent of the fact that it does not bear any interest to her.

I could go on, Mr. President. Bank shares are not taxable; savings and loan deposits are not taxable. To sum it up, it is a tax that you pay or do not pay based upon your sophistication and knowledge of how to invest your money.

For that reason, Mr. President, I suggest it is a tax upon the dumb, the unwitting and those who simply do not know any better. That is the reason why it is an inherently, awesomely,

terrible tax levy.

It is not sufficient to say, Mr. President, that there is a loss of revenue. It is sufficient, however, to say that it is one tax we should get rid of and impose that tax in a different direction, whatever that source should be. That is why, historically, I present these amendments in the interest of getting rid of a grossly unfair tax.

Senator BELL. Mr. President, I very seldom differ with my good friend from Allegheny, Senator Zemprelli. He related chapter one of his story. I will now tell you chapter two of the gentleman's story.

Who else pays that tax? The people who lend money on mortgages, the banks, the unsophisticated banks, and building and loans, the recorded judgments the bankers put over in the courthouse, the unsophisticated "dum-dums," referred to by the gentleman from Allegheny, Senator Zemprelli.

I believe chapter three is the real heart of the story. If you take \$2 million from the County of Delaware—I do not know if that is correct but it is pretty close to a ballpark figure—that the rich pay, you will replace it with real estate taxes, which the poor will pay.

Senator LEWIS. Mr. President, I consider it a privilege to have the second opportunity today to discuss the subject matter which my dear friend and colleague from Allegheny has seen fit to address.

I am not one who is about to attempt to defend the personal property tax in Pennsylvania. In fact, Mr. President, as part of what I have proposed in the way of comprehensive local tax reform, a principal ingredient of that proposal, Senate Bill No. 943, calls for the abolition of the use of the personal property tax.

However, Mr. President, inherent in that proposal is an alternative mechanism for generating the revenue which would be lost as a result of the abolition of that tax.

The gentleman from Allegheny missed, in his litany of horrors about this tax, one other thing that is normally ascribed to it and that is that it is referred to as the "honesty tax," because as to those securities which are not recorded, the only way a county has of knowing whether someone holds property subject to tax is if they voluntarily report it. Is that not a paradox when we find that those who choose not to be honest can avoid taxation?

The practical effects, Mr. President, of adopting these amendments presented by the gentleman from Allegheny, Senator Zemprelli, would be to force counties into an immediate real estate tax increase. They do not have the luxury of having a diversity of taxing tools available. In fact, some thirty-four counties in Pennsylvania use nothing except a real estate tax and a personal property tax.

The overall impact of the abolition of this tax would be an immediate requirement of a six per cent real estate tax increase in Pennsylvania to make up the difference in lost revenue.

Mr. President, I do not believe our property owners would tolerate that situation. We need to abolish this tax but we need to do it in conjunction with a reasonable and fair alternative vehicle. The Senator has not provided us with that opportunity and therefore I stand in opposition to his proposal.

Senator ROMANELLI. Mr. President, I desire to interrogate the gentleman from Allegheny, Senator Zemprelli.

The PRESIDENT pro tempore. Will the gentleman from Allegheny, Senator Zemprelli, permit himself to be interrogated?

Senator ZEMPRELLI. I will, Mr. President.

Senator ROMANELLI. Mr. President, can our distinguished colleague from Allegheny tell me exactly what this tax will cost our county if his amendments are adopted?

Senator ZEMPRELLI. Mr. President, I understand in Allegheny County the tax collected in the last calendar year was \$2,200,000 and, contrary to the figures which were used by the gentleman from Bucks, Senator Lewis, that relationship to the total taxable revenue collected in Allegheny County, I believe, is about three per cent. I do not dispute that it may be six per cent statewide but in Allegheny County it is much less.

Senator ROMANELLI. My immediate concern, Mr. President, is Allegheny County. In light of the fact that the Allegheny County Commissioners just recently had articles appearing in the Pittsburgh Press that if they did not get increased revenues from the State, they would be coming back here and asking for more revenues; there may be an increase in the millage on the property tax in Allegheny County. The county just simply cannot afford a loss of \$2.25 million at this time.

Therefore, I would ask a "no" vote on the amendments.

Senator ZEMPRELLI. Just a footnote to suggest, Mr. President, that there is no way to amend the present tax law to extend the coverage. It happens to be a tax that has been restricted in its application of subjects of the same class by operation of court construction so we cannot legislatively correct it. That is another reason why I think it is just an inherently bad mechanism for taxation.

Senator GEKAS. Mr. President, I desire to interrogate the gentleman from Allegheny, Senator Zemprelli.

The PRESIDENT pro tempore. Will the gentleman from Allegheny, Senator Zemprelli, permit himself to be interrogated?

Senator ZEMPRELLI. I will, Mr. President.

Senator GEKAS. Mr. President, is it not true that the bill before us permits the county commissioners to abolish that tax if they so desire?

Senator ZEMPRELLI. Mr. President, as I understand the bill before us it, in fact, would be an amendment to the intangible personal property tax to allow the imposition of the tax at the discretion of the county commissioners. There has been some court construction to indicate that it is not a matter of discretion, it is a matter of mandate. Every county must collect this tax and that is the reason for the principal bill which is before us now.

Senator GEKAS. So that, under the principal bill, Mr. President, is it not true that, if passed, signed into law by the Governor, the county commissioners of Allegheny County could then decide, in their wisdom and their discretion, that they in the following year will not levy the tax which has yielded \$2 million this past year?

Senator ZEMPRELLI. I believe that is a correct statement, Mr. President.

My feeling is they will not do it, of course.

Senator GEKAS. Yes, but, Mr. President, in this circum-

stance into which the gentleman has plunged us, is it not so that we are being compelled to vote on a measure which is dear to our hearts—the elimination of a tax—but on which we have not been able to consult with our county commissioners to determine whether or not we will wreak havoc with their budgets? Is that not so?

Senator ZEMPRELLI. Mr. President, I am not sure of what the gentleman did, but I know I have discussed this with my county commissioners as late as an hour ago and they, of course, are not anxious to have these amendments passed. However, that does not increase or decrease from the merit of the tax, in my judgment.

Senator GEKAS. Mr. President, I applaud the motivation of the amendments of the gentleman from Allegheny, Senator Zempirelli, and deplore its presence on the floor at the moment because it will take sixty-seven counties into a state of uncertainty with respect to the budgetary problems that all of them, I am sure, face.

What I am saying is this: To defeat these amendments is not to defeat the intent of the gentleman from Allegheny, Senator Zempirelli, that is, to take a good look at this personal property tax because the defeat of the amendments and the passage of the bill will allow the county lawmakers, the county tax revenue raisers, to determine whether or not, indeed, it should be abolished.

I ask for a “no” vote for these amendments; a “yes” on his intent, to be followed up by a “yes” on the main bill.

Senator STAUFFER. Mr. President, I believe the last interrogation between the gentleman from Dauphin, Senator Gekas, and the gentleman from Allegheny, Senator Zempirelli, brings out the fact that the position taken by the gentleman from Allegheny, Senator Zempirelli, on Senate Bill No. 494 should be his position on this bill, one of consistency which, if passed in the form before us, we can make the decision at the local level. The gentleman opted for that on the first bill and I believe, for the sake of consistency, he should opt for that on this tax as well.

Senator COPPERSMITH. Mr. President, in defense of the gentleman from Allegheny, Senator Zempirelli, I can only refer to Emerson who said, “A foolish consistency is the hobgoblin of little minds, . . .”

Senator ZEMPRELLI. Mr. President, I wish to assure both the gentlemen and others who might feel that there is some inconsistency that my first move is for an abolition, my second move would be to support the amendments.

Senator KELLEY. Mr. President, I would like to clarify a misunderstanding or misapprehension some of my colleagues may have.

Regarding the comments of the gentleman from Delaware, Senator Bell, in his statements concerning the financial institutions who ordinarily deal in these kinds of documents of personal property interest, mortgages and notes; they do, in fact, have a specific exemption under the statute as I know it, Mr. President. They do not pay the tax.

Senator BELL. Mr. President, I do not know whether to agree or disagree. However, I know they do pay the tax when they hold the mortgages as a trustee.

And the question recurring,

Will the Senate agree to the amendments?

(A voice vote having been taken, the question was determined in the negative, and the amendments were defeated.)

And the question recurring,

Will the Senate agree to the bill on third consideration?

LEWIS AMENDMENT

Senator LEWIS, by unanimous consent, offered the following amendment:

Amend Sec. 1 (Sec. 1.1), page 2, line 3 by inserting after “county”: of the second through eighth class, and the city council in cities and counties of the first class,

On the question,

Will the Senate agree to the amendment?

It was agreed to.

On the question,

Will the Senate agree to the bill on third consideration, as amended?

DWYER AMENDMENTS

Senator DWYER, by unanimous consent, offered the following amendments:

Amend Title, page 1, line 9, by inserting after “purposes,”: “excepting certain articles of agreement and mortgages from the tax and

Amend Sec. 1, page 1, line 14, by striking out “The” and inserting: Section 1,

Amend Sec. 1, page 1, line 22, by inserting after “purposes,”: amended July 25, 1963 (P. L. 294, No. 157)

Amend Sec. 1, page 1, line 22, by striking out “by adding a section”

Amend Bill, page 2, by inserting between lines 1 and 2:

Section 1. Be it enacted, &c., That all personal property of the classes hereinafter enumerated, owned, held or possessed by any resident, which, as used in this section, shall mean any person, persons, copartnership, or unincorporated association or company, resident, located, or liable to taxation within this Commonwealth, or by any joint-stock company or association, limited partnership, bank or corporation whatsoever, formed, erected or incorporated by, under, or in pursuance of any law of this Commonwealth or of the United States, or of any other state or government, and liable to taxation within this Commonwealth, whether such personal property be owned, held, or possessed by such resident in his, her, their, or its own right, or as active trustee, agent, attorney-in-fact, or in any other capacity, or by any resident as trustee, agent or attorney-in-fact, jointly with one or more trustees, agents or attorney-in-fact, domiciled in another state, where such personal property is held and managed in this Commonwealth, except as executor or administrator of the estate of a non-resident decedent, and except as trustee for a resident or non-resident religious, charitable or educational organization, no part of the net earnings of which inures to the benefit of any private stockholder or individual for the use, benefit, or advantage of any other person, copartnership, unincorporated association, company, joint-stock company or association, limited partnership, bank or corporation, and the equitable interest in any such personal property of the classes hereinafter enumerated, owned, held or possessed by any resident, where the legal title to such personal property is

vested in a trustee, agent, or attorney-in-fact, domiciled in another state, or where the legal title to such personal property is vested in more than one trustee, agent or attorney-in-fact, one or more of whom are domiciled in another state, and one or more of whom are domiciled within this Commonwealth, and such personal property is held and managed in another state, and where such resident is entitled to receive all or any part of the income therefrom—is hereby made taxable annually for county purposes, and, in cities co-extensive with counties, for city and county purposes, at the rate of four mills of each dollar of the value thereof, and no failure to assess or return the same shall discharge such owner or holder thereof, from liability therefor, that is to say,—

All mortgages, except that individuals sixty years of age or older who hold articles of agreement or a mortgage or mortgages from the transfer or sale of seller's or mortgagor's real property having a total annual return from all articles of agreement and mortgages of principal and interest from such articles of agreement or mortgage or mortgages of less than five thousand dollars shall be exempt from the tax thereon imposed by this act all moneys owing by solvent debtors, whether by promissory note, or penal or single bill, bond, or judgment all articles of agreement except as herein excluded and accounts bearing interest; all public loans whatsoever, except those issued by this Commonwealth or the United States, and except the public loans and obligations of any county, city, borough, town, township, school district, and incorporated district of this Commonwealth, and except the bonds and obligations of bodies corporate and politic of this Commonwealth, known as municipal authorities; all loans issued by any corporation, association, company, or limited partnership, created or formed under the laws of this Commonwealth or of the United States, or of any other state or government, including car-trust securities and loans secured by bonds or any other form of certificate or evidence of indebtedness, whether the interest be included in the principal of the obligation or payable by the terms thereof, except such loans as are made taxable for State purposes by section seventeen of the act, approved the twenty-second day of June, one thousand nine hundred thirty-five (Pamphlet Laws 414), as reenacted and amended; all shares of stock in any bank, corporation, association, company, or limited partnership, created or formed under the laws of this Commonwealth or of the United States, or of any other state or government, except shares of stock in any bank, bank and trust company, national banking association, savings institution, corporation, or limited partnership liable to a tax on its shares or a gross premiums tax, or liable to or relieved from the capital stock or franchise tax for State purposes under the laws of this Commonwealth; and all moneys loaned or invested in other states, territories, the District of Columbia, or foreign countries; all other moneyed capital owing to individual citizens of the State: Provided, That this section shall not apply to bank notes, or notes discounted or negotiated by any bank or banking institution, savings institution, or trust company, nor to loans, shares of stock, or other securities, held by bankers or brokers solely for trading purposes; nor to accounts or debit balances owing by customers of bankers or brokers in the usual courses of business; nor to interest bearing accounts in any bank or banking institution, savings institution, employes' thrift or savings association, whether operated by employes or the employer, or trust company; nor to personal property held in the commercial department and owned in its

own right by a banking institution, savings institution, or trust company, in liquidation by a receiver, trustee, or other fiduciary, nor to personal property formerly held by a banking institution in its own right, but assigned by it to one or more trustees for liquidation and payment to the creditors and stockholders of such banking institutions, it being the intent and purpose of this proviso that no tax be assessed or collected for the years one thousand nine hundred and thirty-five, one thousand nine hundred and thirty-six, one thousand nine hundred and thirty-seven, one thousand nine hundred and thirty-eight, one thousand nine hundred and thirty-nine, one thousand nine hundred and forty, and thereafter upon the personal property enumerated herein, nor shall this act apply to the proceeds of any life insurance policy held in whole or in part by the insurer, nor the principal value of annuities nor to any personal property held in any trust, forming part of a stock, bonus, pension or profit sharing plan of an employer for the exclusive benefit of his employes, or their beneficiaries, which trust under the latest ruling of the Commissioner of Internal Revenue is exempted from Federal income tax, nor to any personal property held under the provisions of a plan established by or for an individual or individuals for retirement purposes if such plan meets the requirements for exemption from Federal income tax of income earned on investments held under its provisions: And provided further, That the provisions of this act shall not apply to building and loan associations, or to shares of stock issued by building and loan associations, or to savings institutions having no capital stock; and, if at any time, either now or hereafter, any persons, individuals, or bodies corporate have agreed or shall hereafter agree to issue his, their, or its securities, bonds or other evidences of indebtedness, clear of and free from the said four mills tax herein provided for, or any part thereof, or have agreed or shall hereafter agree to pay the same, nothing herein contained shall be so construed as to relieve or exempt him, it, or them from paying the said four mills tax on any of the said such securities, bonds, or other evidences of indebtedness, as may be held, owned by, or owing to the said savings institution having no capital stock: And provided further, That the provisions of this act shall not apply to fire companies, firemen's relief associations, life, casualty or fire insurance corporations having no capital stock, secret and beneficial societies, labor unions and labor union relief associations, and all beneficial organizations paying sick or death benefits, or either or both, from funds received from voluntary contributions or assessments upon members of such associations, societies, or unions: And provided further, That corporations, limited partnerships, and joint-stock associations, liable to tax on their shares or the aforesaid capital stock or franchise tax for State purposes, shall not be required to make any report or pay any futher tax, under this section, on the mortgages, bonds, and other securities owned by them in their own right; but corporations, limited partnerships, and joint-stock associations, holding such securities as trustees, executors, administrators, guardians, or in any other manner, except as mere custodian for the real owner, and except as executor or administrator of the estate of a nonresident decedent, and except as trustee for a resident or nonresident religious, charitable or educational organization, no part of the net earnings of which inures to the benefit of any private stockholder or individual, shall return and pay the tax imposed by this section upon all securities so held by them as in the case of individuals: And provided further, That none of the classes of property made taxable by this section for county purposes, and, in cities coextensive with counties, for city and county purposes, shall be taxed or taxable for any other local

purpose, under the laws of this Commonwealth: And provided further, That the provisions of this section shall not apply to personal property, of the class hereinabove enumerated, received or acquired with proceeds of money or property received from any person or persons, copartnership, or unincorporated association or company, nonresident in or not located within this Commonwealth, or from any joint-stock company or association, limited partnership, bank or corporation formed, erected, or incorporated by, under or in pursuance of, any law of the United States, or of any state or government other than this Commonwealth, by any person or persons, copartnership, unincorporated association, company, joint-stock company or association, limited partnership, bank, or corporation as active trustee, agent, attorney-in-fact, or in any other capacity, for the use, benefit, or advantage of any person or persons, copartnership, or unincorporated association or company, nonresident in or not located within this Commonwealth; or for the use, benefit or advantage of any joint-stock company or association, limited partnership, bank or corporation formed, erected, or incorporated by, under, or in pursuance of any law of the United States, or of any state or government other than this Commonwealth; nor shall the provisions of this section apply to personal property held for the use, benefit or advantage of any resident who shall have in each of the ten preceding calendar years given or contributed all of his net income to any corporation organized or operated exclusively for religious, charitable, scientific, literary, or educational purposes.

The value of the equitable interest in any personal property made subject to tax by this section shall be measured by ascertaining the value of the personal property in which such resident has the sole equitable interest, or in case of dividend equitable interests in the same personal property, then by ascertaining such part of the value of the whole of such personal property as represents the equitable interest of such resident therein.

For the purposes of this act, the value of any taxable shares of stock issued by any regulated investment company as defined under the provisions of the Federal Internal Revenue Code of 1948, shall be that part of the current value of such shares, to be determined by multiplying said current value by a fraction, the numerator of which shall be the total value of so much of the personal property owned by the regulated investment company as would be taxable by this act if owned by a resident of Pennsylvania and the denominator of which shall be the total value of all of the personal property owned by the regulated investment company.

Section 2. The act is amended by adding a section to read:

Amend Sec. 2, page 2, line 6, by striking out "2" and inserting: 3

On the question,

Will the Senate agree to the amendments?

Senator DWYER. Mr. President, in brief explanation of these amendments, they would provide another exemption from the personal property tax in those counties which will continue to impose it if House Bill No. 235 eventually passes.

In my opinion, it is a very deserving exemption. They provide that individuals sixty years of age or over who hold articles of agreement, mortgages or mortgages under transfer or sale of their real estate and receive income from that of less than \$5,000 per year would be exempt from having to pay the personal property tax on that mortgage.

Many senior citizens in this Commonwealth do not have pri-

vate pension plans or corporate pension plans either on their own or where they work. Instead of that, they sell their homes, their "Mom and Pop" stores, their farms or whatever it may be and they arrange for that home or that farm or that business to be paid for over a period of years with so much income each and every year. In essence, they rely on this as their retirement income.

These amendments would exempt that income derived from the sale of these properties from the personal property tax if the income they realized was less than \$5,000 per year. If someone is in a private pension plan they do not pay the personal property tax on their private pension plan and senior citizens over sixty years of age should not have to pay the personal property tax on what is their pension plan.

These are rather simple and meritorious amendments but, if they are controversial, I will ask for a roll call vote.

Senator MESSINGER. Mr. President, while I agree with part of these amendments, one of the difficulties I see with them is that they do not take into account other income. This could be a millionaire who could really afford to pay the personal property tax and has this kind of an arrangement with his family. I think the amendments do not go far enough.

For that reason, Mr. President, I would urge my colleagues to vote against them.

Senator DWYER. Mr. President, in brief rebuttal I would agree with the gentleman from Lehigh, Senator Messinger. Of course, under our uniformity clause you cannot designate who can and who cannot, within a certain age category, be exempt. I would only point out to him that no millionaires have ever come to me with this problem. They have all been poor senior citizens who are quite destitute and really cannot afford to pay this personal property tax on their mortgage balance. They do need the help.

And the question recurring,
Will the Senate agree to the amendments?

(During the calling of the roll, the following occurred:)

Senator LYNCH. Mr. President, I would like to change my vote from "aye" to "no."

The PRESIDENT pro tempore. The gentleman will be so recorded.

Senator ARLENE. Mr. President, I would like to change my vote from "aye" to "no."

The PRESIDENT pro tempore. The gentleman will be so recorded.

Senator HANKINS. Mr. President, I would like to change my vote from "aye" to "no."

The PRESIDENT pro tempore. The gentleman will be so recorded.

The yeas and nays were required by Senator DWYER and were as follows, viz:

YEAS—20

Andrews,	Gekas,	Howard,	Reibman,
Corman,	Hager,	Jubelirer,	Snyder,
Dougherty,	Hess,	Kusse,	Stauffer,
Dwyer,	Holl,	Manbeck,	Stout,
Fleming,	Hopper,	Moore,	Tilghman,

NAYS—26

Arlene,	Kelley,	Murray,	Scanlon,
Bell,	Kury,	Noszka,	Schaefer,
Coppersmith,	Lewis,	O'Pake,	Smith,
Duffield,	Lynch,	Orlando,	Stapleton,
Early,	McKinney,	Romanelli,	Sweeney,
Gurzenda,	Mellow,	Ross,	Zemprelli,
Hankins,	Messinger,		

So the question was determined in the negative, and the amendments were defeated.

The PRESIDENT pro tempore. House Bill No. 235 will go over, as amended.

**BILLS ON THIRD CONSIDERATION,
DEFEATED ON FINAL PASSAGE**

SB 505 (Pr. No. 1671) — Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—16

Corman,	Holl,	Messinger,	Scanlon,
Duffield,	Howard,	Moore,	Stapleton,
Fleming,	Kury,	Orlando,	Stauffer,
Gekas,	Lewis,	Reibman,	Sweeney,

NAYS—30

Andrews,	Hager,	Manbeck,	Ross,
Arlene,	Hankins,	McKinney,	Schaefer,
Bell,	Hess,	Mellow,	Smith,
Coppersmith,	Hopper,	Murray,	Snyder,
Dougherty,	Jubelirer,	Noszka,	Stout,
Dwyer,	Kelley,	O'Pake,	Tilghman,
Early,	Kusse,	Romanelli,	Zemprelli,
Gurzenda,	Lynch,		

Less than a majority of all the Senators having voted "aye," the question was determined in the negative.

SB 508 (Pr. No. 1626) — Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—16

Corman,	Holl,	Messinger,	Scanlon,
Duffield,	Howard,	Moore,	Stapleton,
Fleming,	Kury,	Orlando,	Stauffer,
Gekas,	Lewis,	Reibman,	Sweeney,

NAYS—30

Andrews,	Hager,	Manbeck,	Ross,
Arlene,	Hankins,	McKinney,	Schaefer,
Bell,	Hess,	Mellow,	Smith,
Coppersmith,	Hopper,	Murray,	Snyder,
Dougherty,	Jubelirer,	Noszka,	Stout,
Dwyer,	Kelley,	O'Pake,	Tilghman,
Early,	Kusse,	Romanelli,	Zemprelli,
Gurzenda,	Lynch,		

Less than a majority of all the Senators having voted "aye," the question was determined in the negative.

SB 510 (Pr. No. 1672) — Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—16

Corman,	Holl,	Messinger,	Scanlon,
Duffield,	Howard,	Moore,	Stapleton,
Fleming,	Kury,	Orlando,	Stauffer,
Gekas,	Lewis,	Reibman,	Sweeney,

NAYS—30

Andrews,	Hager,	Manbeck,	Ross,
Arlene,	Hankins,	McKinney,	Schaefer,
Bell,	Hess,	Mellow,	Smith,
Coppersmith,	Hopper,	Murray,	Snyder,
Dougherty,	Jubelirer,	Noszka,	Stout,
Dwyer,	Kelley,	O'Pake,	Tilghman,
Early,	Kusse,	Romanelli,	Zemprelli,
Gurzenda,	Lynch,		

Less than a majority of all the Senators having voted "aye," the question was determined in the negative.

BILL OVER IN ORDER

SB 585 — Without objection, the bill was passed over in its order at the request of Senator MESSINGER.

BILL ON THIRD CONSIDERATION AMENDED

HB 642 (Pr. No. 2665) — Considered the third time,

On the question,
Will the Senate agree to the bill on third consideration?
Senator MESSINGER, by unanimous consent, offered the following amendments:

Amend Sec. 1 (Sec. 904), page 2, line 10), by inserting after "service,": or any other person

Amend Sec. 1 (Sec. 904), page 3, line 9, by inserting after "employe": or any other person

Amend Sec. 2 (Sec. 905), page 3, line 25, by removing the period after "employment" and inserting: , except that solicitation for voluntary contributions of classified service employes by their registered political action committees shall be permitted.

Amend Bill, page 4, lines 15 through 30 by striking out all of said lines
Amend Sec. 4, page 5, line 1 by striking out "4" and inserting: 3

On the question,
Will the Senate agree to the amendments?
They were agreed to.

Without objection, the bill, as amended, was passed over in its order at the request of Senator MESSINGER.

BILL OVER IN ORDER

SB 744 — Without objection, the bill was passed over in its order at the request of Senator MESSINGER.

**BILLS ON THIRD CONSIDERATION,
DEFEATED ON FINAL PASSAGE**

SB 882 (Pr. No. 1628) — Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—16

Corman,	Holl,	Messinger,	Scanlon,
Duffield,	Howard,	Moore,	Stapleton,
Fleming,	Kury,	Orlando,	Stauffer,
Gekas,	Lewis,	Reibman,	Sweeney,

NAYS—30

Andrews,	Hager,	Manbeck,	Ross,
Arlene,	Hankins,	McKinney,	Schaefer,
Bell,	Hess,	Mellow,	Smith,
Coppersmith,	Hopper,	Murray,	Snyder,
Dougherty,	Jubelirer,	Noszka,	Stout,
Dwyer,	Kelley,	O'Pake,	Tilghman,
Early,	Kusse,	Romanelli,	Zemprelli,
Gurzenda,	Lynch,		

Less than a majority of all the Senators having voted "aye," the question was determined in the negative.

SB 883 (Pr. No. 1629) — Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—16

Corman,	Holl,	Messinger,	Scanlon,
Duffield,	Howard,	Moore,	Stapleton,
Fleming,	Kury,	Orlando,	Stauffer,
Gekas,	Lewis,	Reibman,	Sweeney,

NAYS—30

Andrews,	Hager,	Manbeck,	Ross,
Arlene,	Hankins,	McKinney,	Schaefer,
Bell,	Hess,	Mellow,	Smith,
Coppersmith,	Hopper,	Murray,	Snyder,
Dougherty,	Jubelirer,	Noszka,	Stout,
Dwyer,	Kelley,	O'Pake,	Tilghman,
Early,	Kusse,	Romanelli,	Zemprelli,
Gurzenda,	Lynch,		

Less than a majority of all the Senators having voted "aye," the question was determined in the negative.

BILL RECOMMITTED

SB 995 (Pr. No. 1674) — Upon motion of Senator MESSINGER, and agreed to, the bill was recommitted to the Committee on Consumer Affairs.

BILL OVER IN ORDER

SB 1268 — Without objection, the bill was passed over in its order at the request of Senator MESSINGER.

RECONSIDERATION OF HB 1271

BILL OVER IN ORDER ON FINAL PASSAGE

HB 1271 (Pr. No. 1494) — Senator STAUFFER. Mr. President, I move that the Senate do now reconsider the vote by which House Bill No. 1271, Printer's No. 1494, failed of final passage on February 28, 1978.

The motion was agreed to.

And the question recurring,
Shall the bill pass finally?

Senator STAUFFER. Mr. President, I request that House Bill No. 1271 go over in its order and appear on tomorrow's Final Passage Calendar.

The PRESIDENT pro tempore. There being no objection, the bill will be placed on tomorrow's Final Passage Calendar.

RECONSIDERATION OF HB 1277

BILL OVER IN ORDER ON FINAL PASSAGE

HB 1277 (Pr. No. 1500) — Senator STAUFFER. Mr. President, I move that the Senate do now reconsider the vote by which House Bill No. 1277, Printer's No. 1500, failed of final passage on February 28, 1978.

The motion was agreed to.

And the question recurring,
Shall the bill pass finally?

Senator STAUFFER. Mr. President, I request that House Bill No. 1277 go over in its order and appear on tomorrow's Final Passage Calendar.

The PRESIDENT pro tempore. There being no objection, the bill will be placed on tomorrow's Final Passage Calendar.

CONSIDERATION OF CALENDAR RESUMED**SECOND CONSIDERATION CALENDAR****BILLS OVER IN ORDER**

SB 272, HB 392 and SB 521 — Without objection, the bills were passed over in their order at the request of Senator MESSINGER.

BILLS ON SECOND CONSIDERATION

SB 947 (Pr. No. 1460) and SB 976 (Pr. No. 1097) — Considered the second time and agreed to,
Ordered, To be transcribed for a third consideration.

BILLS OVER IN ORDER

HB 1131 and SB 1174 — Without objection, the bills were passed over in their order at the request of Senator MESSINGER.

BILLS ON SECOND CONSIDERATION

SB 1212 (Pr. No. 1668), SB 1319 (Pr. No. 1669), SB 1320 (Pr. No. 1670) and SB 1323 (Pr. No. 1652) — Considered the second time and agreed to,
Ordered, To be transcribed for a third consideration.

BILLS OVER IN ORDER

HB 1350, 1566 and 1939 — Without objection, the bills were passed over in their order at the request of Senator MESSINGER.

UNFINISHED BUSINESS**REPORTS FROM COMMITTEES**

Senator MCKINNEY, from the Committee on State Government, reported, as amended, **HB 993**.

Senator LEWIS, from the Committee on Local Government, reported, as committed, **SB 721, 722, 723, 724 and 1290**; as amended, **SB 720 and HB 816**.

BILL REREFERRED

Senator LEWIS, from the Committee on Local Government, returned to the Senate **SB 1283**, which was rereferred to the Committee on Appropriations.

CONGRATULATORY RESOLUTIONS

The PRESIDENT pro tempore laid before the Senate the following resolutions, which were read, considered and adopted:

Congratulations of the Senate were extended to the 1977-78 Phoenixville Area High School Wrestling Team by Senator Stauffer.

Congratulations of the Senate were extended to Rabbi J. Harold and Mrs. Blanche Romirowsky by Senator Dougherty.

Congratulations of the Senate were extended to The Northumberland County Conservation District by Senator Kury.

Congratulations of the Senate were extended to Mr. and Mrs. Fred K. LaMotte, Mr. and Mrs. Perry W. Anderson, Mr. and

Mrs. Earl E. Brown, Mr. and Mrs. Albert Criswell, Mr. and Mrs. Granville J. Frey, Mr. and Mrs. Abner Forney and to Mr. and Mrs. John P. Singer by Senator Hess.

BILLS ON FIRST CONSIDERATION

Senator MESSINGER. Mr. President, I move that the Senate do now proceed to consideration of all bills reported from committees for the first time at today's Session.

The motion was agreed to.

The bills were as follows:

SB 720, 721, 722, 723, 724, 1290, HB 816 and 993.

And said bills having been considered for the first time,
Ordered, To be laid aside for second consideration.

COMMUNICATIONS FROM THE GOVERNOR**NOMINATIONS BY THE GOVERNOR
REFERRED TO COMMITTEE**

The Secretary to the Governor being introduced, presented communications in writing from His Excellency, the Governor of the Commonwealth, which were read as follows, and referred to the Committee on Rules and Executive Nominations:

CORONER IN AND FOR THE COUNTY OF MONTGOMERY

March 13, 1978.

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Harry J. Crits, M.D., 777 Germantown Pike, Lafayette Hill 19444, Montgomery County, Seventeenth Senatorial District, for appointment as Coroner in and for the County of Montgomery, to serve until the first Monday of January, 1980, vice John A. Hoffa, M.D., deceased.

MILTON J. SHAPP.

**MEMBER OF THE BOARD OF TRUSTEES OF
SCRANTON STATE SCHOOL FOR THE DEAF**

March 13, 1978.

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Paul L. Dapp, 2359 Hillside Avenue, Williamsport 17701, Lycoming County, Twenty-third Senatorial District, for appointment as a member of the Board of Trustees of Scranton State School for the Deaf, to serve until the third Tuesday of January 1979, and until his successor is appointed and qualified, vice Edward Popil, Scranton, resigned.

MILTON J. SHAPP.

BILLS SIGNED

The President pro tempore (Martin L. Murray) in the presence of the Senate signed the following bills:

HB 209, 1269, 1278, 1326, 1633 and 1878.

CHANGE IN COMMITTEE OF CONFERENCE ON SB 354 AND SB 355

The PRESIDENT pro tempore. As President pro tempore of the Senate of Pennsylvania, I hereby appoint Senator John Stauffer to serve as a member of the Committee of Conference established to study Senate Bill No. 354 and Senate Bill No. 355. Senator Stauffer will serve as a member of this committee in the absence of Senator T. Newell Wood.

REPORT FROM THE JOINT STATE GOVERNMENT COMMISSION

PUBLICATION: RENT WITHHOLDING

Senator ARLENE submitted the following communication and report from the Joint State Government Commission.

The communication was read by the Clerk as follows:

March 13, 1978.

To the Honorable, the Senate
of the General Assembly of the
Commonwealth of Pennsylvania

On behalf of the Joint State Government Commission, I have the honor to transmit herewith the publication Rent Withholding.

Copies of this publication for members of the Senate have been placed in their post office boxes.

Respectfully submitted,

FRED J. SHUPNIK
Chairman

The PRESIDENT pro tempore. This report will be printed in the Appendix of the Senate Journal.

PETITIONS AND REMONSTRANCES

Senator BELL. Mr. President, recently stories have been appearing in the public press that the maintenance money for our State highways has about run out. We still have the rest of the fiscal year to go and there is no money to put permanent patches in these potholes which are ruining our roads throughout the Commonwealth.

Some of the reason for this is the massive snowstorms which we have had this winter, especially the snowstorm of February 3rd and the other storms. These storms have built up a snow record this year second to that in history, at least for eastern Pennsylvania.

There is something wrong in the way that the Federal gas tax is spent. When I put sixteen gallons of gas in my car this morning, I paid Federal tax on sixteen gallons of gas and I do not think that money is ever going to come back to Pennsylvania. I do not know where the Federal Highway Trust Fund money is going, but I know it is not coming back to Pennsylvania in the share that it leaves here. I know this is a matter for Congress to correct. I understand one of the Senators is already trying to do something about it and I imagine some of our Congressmen are trying to do something.

We are facing a two-week recess which means we cannot do an awful lot between now and when we come back. However, as

all the Senators return to their home districts, I am going to suggest that you talk to the various Congressmen and the two United States Senators to see if something can be done to bring some of the Federal Highway Trust Funds back to Pennsylvania to patch the interstate highways, to reimburse the State for the millions of dollars they have spent on plowing snow and putting in skid control on the interstate system and the Federal primary system, because I do not know where the money is going. Here we are paying heavily to the Federal government with our gas taxes. I believe it is a penny and a half per gallon, or perhaps it is more than that, and we are broke.

I understand traveling on Interstate 70, I think it is, which goes down through Washington County, is like running across a shell-torn battlefield as you traverse that highway. Throughout the State we have massive potholes without the money to fix them.

The reason I am putting this forward is that I know the State wants more gas taxes, but it will be a little while before we get it. It is only fair, I would suggest, that Pennsylvania's highway taxes, paid by people who are using the roads in Pennsylvania, which go to Washington should come back to be used to fix the same roads that I am paying taxes to drive on.

Senator HOWARD. Mr. President, I rise to add my voice to those who are growing more and more concerned about the scheduling of appropriations hearings this spring. I understand the frustrations of being the chairman of the Committee on Appropriations and scheduling hearings where very few people show up and I heartily endorse the desire to expedite the hearings.

However, based upon the questions that have been asked of me and the material which I have seen that has come to my office from that committee in the last week or so, I believe that we may be trying to answer the problem with the wrong solution.

I would implore the leadership, particularly the gentleman from Philadelphia, Senator Smith, who is still in the Chamber tonight, to reconsider the decision to hold hearings on the basis where one hearing can conflict in time with another because it is clear that a number of Senators are deeply concerned about the division of their time, wishing to attend hearings that may be conducted at the same time.

If the gentleman does not feel that we should go back to basics where the full committee is going to be conducting the hearings, may I then suggest that the subcommittee technique may be used, inviting the full Senate to come if it so desires, but that the time should be arranged so that if Senators do wish to attend hearings they will not be confronted with this conflict.

I really think that coming off the agony of the budget of last year, this may, in fact, create more problems than it is designed to solve. I believe if ever there was a year when every opportunity should be extended to involve every Member of this Senate in the preliminaries to the adoption of the budget, this is the year. I am afraid if we do not do that we will leave ourselves open to criticism and we may have once again laid a trap for ourselves and invited confusion and doubt at the time we come to a vote.

In order to avoid that I would strongly urge we take the steps

to reschedule the hearings in such a fashion that conflict does not exist.

Senator SMITH. Mr. President, I appreciate the statement of the gentleman from Bucks, Senator Howard. But just let me say that the chairman is not confused. I have consulted with the Members of the Majority Party. It was their decision, along with mine, that we would use this method.

I stated the last time I defended my position, simply, change comes slowly and I say the acceptance of change is slower. It is not the panacea to answer all the problems of this Commonwealth in dealing with the budgetary problems. But it is that small step forward that when we do have the subcommittee chairman meeting together with his committee, they have the time—and again I say, they have the time—to do an in depth study of the total budget given for a department or bureau. If they need more time, the chairman simply requests the chairman of the Committee on Appropriations and we will certainly extend the time for them.

I believe the great objection to the Members of the Minority Party is that they will be within their own assigned duties and they cannot go forward into other areas of the budget. I just kind of feel that all the men on this floor are competent, that the chairman, together with the members of the subcommittee, will have enough intelligence to sit down in their respective caucuses and explain the problems, to explain what they have found by doing a one-to-one type of operation.

I am sure that the gentleman from Bucks, Senator Howard, being assigned to his particular duty would go back to his caucus and tell what he knows and what he has found and what depth they have gone in understanding the total expenditure of this Commonwealth. I know of no other method where competent men—and I say they are all competent men. I think the giant among these men will see the values of this—the real giants, men of stature, will see that we are trying to do something for this Senate; we are trying to do something for the people of the Commonwealth.

This is not my pet project. I have no intentions of assuming any pride of authorship because I have made the change. Change has been made for a reason and the reason is: I simply want to know why, in this Commonwealth, millions of Federal dollars keep pouring in and the State costs keep escalating. If we only answer that simple question, if we receive answers, if we know why the Federal dollar keeps coming in and the cost of State government keeps escalating, we have answered one of the great concerns of our time.

Senator HOWARD. Mr. President, for those of us who are not the giants of this Body but only trying to do our job, I feel we have placed, by the scheduling problem, a major obstacle in doing that job in a responsible fashion. It is my plea that we at least consider the possibility of altering the schedule, which I cannot imagine will be that much of a problem, so that we are not going to be conducting hearings on matters simultaneously.

I did not really think of it in terms of Minority Party versus Majority Party. I really think there is a need for responsible consideration this year, more than ever, on the basis of recent history. That was what I had in mind and I do not really think it is a major dislocation to resort to a technique where we are

not scheduling conflicts. It was that which brought me to my feet today.

ANNOUNCEMENTS BY THE SECRETARY

The following announcements were read by the Secretary of the Senate:

SENATE OF PENNSYLVANIA

COMMITTEE MEETINGS

TUESDAY, MARCH 14, 1978

9:00 A.M.	Special Senate Committee on Senate Resolution No. 19 (Public Hearing on the Audit Admission Policy, Programs and Financial Structure of Pennsylvania Medical Schools)	Senate Minority Caucus Room
10:00 A.M.	APPROPRIATIONS (to consider Senate Bills No. 74, 466, 637, 984; House Bills No. 920 and 1190)	Room 350
10:30 A.M.	PUBLIC HEALTH AND WELFARE (Public Hearing on House Bill No. 1294)	Senate Majority Caucus Room
11:00 A.M.	STATE GOVERNMENT (to consider Senate Bills No. 315, 853, 854, 870, 1040, 1169, 1277, 1310, 1311; House Bills No. 656 and 799)	Room 350
11:00 A.M.	Conference Committee (to consider Senate Bills No. 354 and 355)	Room 350
11:30 A.M.	EDUCATION (to consider Senate Bills No. 473, 1292, 1293 and House Bill No. 76)	Room 188
12:00 Noon	RULES AND EXECUTIVE NOMINATIONS (to consider certain Executive Nominations and Senate Bill No. 838)	Rules Committee Conference Room

WEDNESDAY, MARCH 15, 1978

10:00 A.M.	Special Senate Committee on Drug Law Enforcement (Public Hearing on Act No. 63)	Room 350
10:30 A.M.	STATE GOVERNMENT (Public Hearing on Senate Bill No. 1196)	Senate Majority Caucus Room

MONDAY, MARCH 20, 1978

11:00 A.M.	PUBLIC HEALTH AND	Senate Majority
------------	-------------------	-----------------

WELFARE (Public Hearing on the nomination of Aldo Colautti as Secretary of Public Welfare)	Caucus Room	11:00 A.M. APPROPRIATIONS (Budget Hearing with the State Treasurer)	Senate Minority Caucus Room
TUESDAY, MARCH 21, 1978		1:00 P.M. APPROPRIATIONS (Budget Hearing with the Department of Community Affairs)	Senate Majority Caucus Room
9:30 A.M. PUBLIC HEALTH AND WELFARE (Public Hearing on Senate Bill No. 979)	Senate Majority Caucus Room	1:30 P.M. APPROPRIATIONS (Budget Hearing with the State Police)	Senate Minority Caucus Room
WEDNESDAY, MARCH 22, 1978		3:00 P.M. APPROPRIATIONS (Budget Hearing with Department of Commerce)	Senate Majority Caucus Room
9:30 A.M. LOCAL GOVERNMENT to (Public Hearing on Senate Bill No. 943)	George Washington Motor Lodge, King of Prussia, PA.	3:00 P.M. APPROPRIATIONS (Budget Hearing with the State Employees Retirement Board)	Senate Minority Caucus Room
THURSDAY, MARCH 23, 1978		THURSDAY, MARCH 30, 1978	
9:30 A.M. LOCAL GOVERNMENT to (Public Hearing on Senate Bill No. 943)	Southampton Free Library, Southampton, PA.	9:30 A.M. APPROPRIATIONS (Budget Hearing with the Department of Justice)	Senate Majority Caucus Room
MONDAY, MARCH 27, 1978		9:30 A.M. APPROPRIATIONS (Budget Hearing with the School Employees' Retirement System)	Senate Minority Caucus Room
1:30 P.M. APPROPRIATIONS (Budget Hearing with Department of Health)	Senate Majority Caucus Room	11:00 A.M. APPROPRIATIONS (Budget Hearing with Department of Labor and Industry)	Senate Minority Caucus Room
3:00 P.M. APPROPRIATIONS (Budget Hearing with the Drug Council)	Senate Majority Caucus Room	1:00 P.M. APPROPRIATIONS (Budget Hearing with Temple University)	Senate Majority Caucus Room
TUESDAY, MARCH 28, 1978		1:30 P.M. APPROPRIATIONS (Budget Hearing with the Department of General Services)	Senate Minority Caucus Room
9:30 A.M. APPROPRIATIONS (Budget Hearing with the Department of Public Welfare)	Senate Majority Caucus Room	2:00 P.M. APPROPRIATIONS (Budget Hearing with Lincoln University)	Senate Majority Caucus Room
9:30 A.M. APPROPRIATIONS (Budget Hearing with the Department of Agriculture)	Senate Minority Caucus Room	3:00 P.M. APPROPRIATIONS (Budget Hearing with the Governor's Office)	Senate Majority Caucus Room
11:30 A.M. APPROPRIATIONS (Budget Hearing with the Milk Marketing Board)	Senate Minority Caucus Room	3:00 P.M. APPROPRIATIONS (Budget Hearing with the Board of Parole)	Senate Minority Caucus Room
1:00 P.M. APPROPRIATIONS (Budget Hearing with the Department of Revenue)	Senate Minority Caucus Room	FRIDAY, MARCH 31, 1978	
3:00 P.M. APPROPRIATIONS (Budget Hearing with the Department of Transportation)	Senate Minority Caucus Room	9:30 A.M. APPROPRIATIONS (Budget Hearing with the Department of Education — including State-owned Colleges)	Senate Majority Caucus Room
WEDNESDAY, MARCH 29, 1978		1:30 P.M. APPROPRIATIONS (Budget Hearing with the University of Pittsburgh)	Senate Majority Caucus Room
9:30 A.M. APPROPRIATIONS (Budget Hearing with the Department of Environmental Resources)	Senate Majority Caucus Room	2:30 P.M. APPROPRIATIONS	Senate Majority
9:30 A.M. APPROPRIATIONS (Budget Hearing with the Auditor General)	Senate Minority Caucus Room		

(Budget Hearing with
Pennsylvania State Uni-
versity) Caucus Room

THURSDAY, APRIL 6, 1978

9:30 A.M. PUBLIC HEALTH AND Senate Majority
WELFARE (Public Hear- Caucus Room
ing on Senate Bills No.
1229 and 1230)

ADJOURNMENT

Senator MESSINGER. Mr. President, I move that the Senate do now adjourn until Tuesday, March 14, 1978, at 1:00 p.m., Eastern Standard Time.

The motion was agreed to.

The Senate adjourned at 6:36 p.m., Eastern Standard Time.