

# COMMONWEALTH OF PENNSYLVANIA

## LEGISLATIVE JOURNAL

TUESDAY, FEBRUARY 14, 1989

SESSION OF 1989

173D OF THE GENERAL ASSEMBLY

No. 14

### HOUSE OF REPRESENTATIVES

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

#### THE SPEAKER (JAMES J. MANDERINO) IN THE CHAIR

##### PRAYER

REV. CLYDE W. ROACH, Chaplain of the House of Representatives, from Harrisburg, Pennsylvania, offered the following prayer:

Let us pray:

O Loving Father, thank you for allowing us to see and observe another St. Valentine's Day - a day for remembering our mates and our sweethearts, whom You have given us. We are grateful for the bonds that unite and keep us together. Strengthen them and remind us that they must be constantly nourished and cultivated.

Grant that we will always place the welfare of our beloved above that of our own. May we always seek to promote their well-being. Remind us that it is always more blessed to give than to receive.

We also lift unto You our families, the cornerstone of our State and Nation. Continue to guide them in paths of righteousness and keep them according to Your will.

In Your dear name we pray. Amen.

##### PLEDGE OF ALLEGIANCE

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

##### JOURNAL APPROVAL POSTPONED

The SPEAKER. The Journal of the House for Monday, February 13, 1989, is not in print, and without objection, we will postpone until printed approval of that Journal. The Chair hears no objection.

##### HOUSE BILLS INTRODUCED AND REFERRED

**No. 432** By Representatives REBER, VROON, SCHEETZ, TIGUE, LASHINGER, BUNT, NOYE, ANGSTADT, ALLEN, PRESTON, OLASZ and SERAFINI

An Act amending the act of April 12, 1951 (P. L. 90, No. 21), known as the "Liquor Code," further providing for the time for hearings relating to violations.

Referred to Committee on LIQUOR CONTROL, February 14, 1989.

**No. 433** By Representatives REBER, McCALL, CAWLEY, J. L. WRIGHT, GEORGE, MORRIS, JADLOWIEC, BOYES, RITTER, MELIO, GEIST, FOX, RYBAK, GODSHALL, NAHILL, MICOZZIE, MARKOSEK, DISTLER, CARLSON, SEMMEL, ARGALL, JOHNSON, D. W. SNYDER, PERZEL, J. TAYLOR, RUDY, McVERRY, CIVERA, CORRIGAN, HASAY, VEON, GANNON, GIGLIOTTI, FREEMAN, OLASZ, CORNELL, DeLUCA, ALLEN, SERAFINI, BISHOP, E. Z. TAYLOR, LAUGHLIN, FREIND, HALUSKA, MAIALE, STABACK, ROBINSON, BUNT, TELEK, MILLER, FLICK, BELFANTI, O'BRIEN, OLIVER, RAYMOND, HOWLETT and KASUNIC

An Act amending the act of November 4, 1983 (P. L. 217, No. 63), known as the "Pharmaceutical Assistance Contract for the Elderly Act," changing eligibility requirements.

Referred to Committee on YOUTH AND AGING, February 14, 1989.

**No. 434** By Representatives REBER, MORRIS, GEIST, LASHINGER, NAHILL, MICOZZIE, CIVERA, TRELLO, BISHOP, E. Z. TAYLOR, LEH, MILLER, BUNT and KASUNIC

An Act providing for the operation of ultralight air vehicles within this Commonwealth.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 435** By Representatives REBER, TRELLO, TIGUE, J. L. WRIGHT, FOX, DISTLER, FARMER, JAROLIN, D. W. SNYDER, KENNEY, OLASZ, STABACK, E. Z. TAYLOR, BUNT, KUKOVICH, ARGALL and MOWERY

An Act amending the act of July 23, 1970 (P. L. 563, No. 195), known as the "Public Employe Relations Act," requiring

daily negotiating sessions when there is a strike in a school entity.

Referred to Committee on EDUCATION, February 14, 1989.

**No. 436** By Representatives REBER, VROON, PERZEL, WOGAN, DEMPSEY, BUNT, CORRIGAN, NOYE, E. Z. TAYLOR, HERMAN, LEH, JOHNSON and GANNON

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, providing for a cause of action for risking infection with acquired immune deficiency syndrome.

Referred to Committee on JUDICIARY, February 14, 1989.

**No. 437** By Representatives REBER, VROON, PERZEL, SCHEETZ, WOGAN, DEMPSEY, TIGUE, MRKONIC, BUNT, CORRIGAN, NOYE, ANGSTADT, E. Z. TAYLOR, HERMAN, LEH, JOHNSON and GANNON

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, providing for exposure to acquired immune deficiency syndrome.

Referred to Committee on JUDICIARY, February 14, 1989.

**No. 438** By Representatives LAUGHLIN, THOMAS, VEON, MELIO, DeWEESE, MAINE, BISHOP, PISTELLA, WAMBACH, McCALL, COLAFELLA, PETRONE, TRELLO and RITTER

An Act providing for the establishment of a Lead Poisoning Program in the Department of Health; imposing a tax establishing the Lead Poisoning Program Account; and making an appropriation.

Referred to Committee on HEALTH AND WELFARE, February 14, 1989.

**No. 439** By Representatives WOZNIAK, DISTLER, BOYES, NOYE, TRELLO, BILLOW, COLAIZZO, CIVERA, GEIST, RICHARDSON and BISHOP

An Act amending the act of June 22, 1937 (P. L. 1987, No. 394), known as "The Clean Streams Law," providing that permits shall not be required for certain sewer extensions.

Referred to Committee on CONSERVATION, February 14, 1989.

**No. 440** By Representatives COLAIZZO, LESCOVITZ, DALEY, TRICH, TIGUE, LETTERMAN, DOMBROWSKI, ROBINSON, KOSINSKI, JOHNSON, CAWLEY, MORRIS, MELIO, TANGRETTI, YANDRISEVITS, BISHOP, TRELLO, SERAFINI, GIGLIOTTI, BILLOW and LEVDANSKY

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, placing landfill charges under the jurisdiction of the commission.

Referred to Committee on CONSUMER AFFAIRS, February 14, 1989.

**No. 441** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, CORNELL, ALLEN, McVERRY, HESS, FARGO, FLICK, GEIST, DeLUCA, NAHILL, JOHNSON, VEON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, VEON, G. SNYDER, HECKLER and MARSICO

An Act amending the act of February 1, 1966 (1965 P. L. 1656, No. 581), known as "The Borough Code," restricting certain persons from bidding on contracts.

Referred to Committee on LOCAL GOVERNMENT, February 14, 1989.

**No. 442** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, ALLEN, McVERRY, HESS, FARGO, GEIST, DeLUCA, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, VEON, G. SNYDER, HECKLER and MARSICO

An Act amending the act of May 1, 1933 (P. L. 103, No. 69), known as "The Second Class Township Code," restricting certain persons from bidding on contracts.

Referred to Committee on LOCAL GOVERNMENT, February 14, 1989.

**No. 443** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, ALLEN, McVERRY, HESS, FARGO, GEIST, DeLUCA, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, VEON, G. SNYDER, HECKLER, MARSICO and VEON

An Act amending the act of May 27, 1953 (P. L. 244, No. 34), entitled "An act relating to and regulating the contracts of incorporated towns and providing penalties," restricting certain persons from bidding on contracts.

Referred to Committee on LOCAL GOVERNMENT, February 14, 1989.

**No. 444** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, ALLEN, McVERRY, HESS, FARGO, GEIST, DeLUCA, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, G. SNYDER, HECKLER, MARSICO and VEON

An Act amending the act of May 2, 1945 (P. L. 382, No. 164), known as the "Municipality Authorities Act of 1945," restricting certain persons from bidding on contracts.

Referred to Committee on LOCAL GOVERNMENT, February 14, 1989.

**No. 445** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, ALLEN, McVERRY, HESS, FARGO, GEIST, DeLUCA, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, VEON, G. SNYDER, HECKLER and MARSICO

An Act amending the act of February 1, 1966 (1965 P. L. 1656, No. 581), known as "The Borough Code," restricting certain persons from bidding on contracts.

Referred to Committee on LOCAL GOVERNMENT, February 14, 1989.

**No. 446** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, CORNELL, ALLEN, McVERRY, HESS, FARGO, FLICK, GEIST, DeLUCA, NAHILL, JOHNSON, VEON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, VEON, G. SNYDER, HECKLER and MARSICO

An Act amending the act of June 24, 1931 (P. L. 1206, No. 331), known as "The First Class Township Code," restricting certain persons from bidding on contracts.

Referred to Committee on LOCAL GOVERNMENT, February 14, 1989.

**No. 447** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, ALLEN, McVERRY, HESS, FARGO, GEIST, DeLUCA, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, VEON, G. SNYDER, HECKLER and MARSICO

An Act amending the act of March 7, 1901 (P. L. 20, No. 14), referred to as the "Second Class City Law," restricting certain persons from bidding on contracts.

Referred to Committee on URBAN AFFAIRS, February 14, 1989.

**No. 448** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, ALLEN, McVERRY, HESS, FARGO, GEIST, DeLUCA, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, VEON, G. SNYDER, HECKLER and MARSICO

An Act amending the act of June 25, 1919 (P. L. 581, No. 274), referred to as the "First Class City Government Law," restricting certain persons from bidding on contracts.

Referred to Committee on URBAN AFFAIRS, February 14, 1989.

**No. 449** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, ALLEN, HESS, FARGO, GEIST, DeLUCA, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, VEON, McVERRY, G. SNYDER, HECKLER and MARSICO

An Act amending the act of June 23, 1931 (P. L. 932, No. 317), known as "The Third Class City Code," restricting persons from bidding on contracts.

Referred to Committee on URBAN AFFAIRS, February 14, 1989.

**No. 450** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, ALLEN, HESS, FARGO, GEIST, DeLUCA, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, VEON, McVERRY, G. SNYDER, HECKLER and MARSICO

An Act amending the act of July 28, 1953 (P. L. 723, No. 230), known as the "Second Class County Code," restricting certain persons from bidding on contracts.

Referred to Committee on URBAN AFFAIRS, February 14, 1989.

**No. 451** By Representatives GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE, DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, NOYE, CARLSON, HERMAN, STABACK, ALLEN, McVERRY, HESS, FARGO, GEIST, DeLUCA, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, REBER, YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH, RAYMOND, CORNELL, WAMBACH, FLICK, VEON, G. SNYDER, HECKLER and MARSICO

An Act amending the act of August 9, 1955 (P. L. 323, No. 130), known as "The County Code," restricting certain persons from bidding on contracts.

Referred to Committee on LOCAL GOVERNMENT, February 14, 1989.

**No. 452** By Representatives GODSHALL, MAIALE, YANDRISEVITS, REBER, CESSAR, DISTLER, ROBBINS, GLADECK, CIVERA, NOYE, SCHULER, CARLSON, STABACK, ALLEN, GEIST, BARLEY, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, BURD, TRELLO, FOX, MICOZZIE, VROON, BUNT, RYBAK, OLASZ, RAYMOND, LEE, CORNELL, FLICK, VEON and HECKLER

A Joint Resolution proposing an amendment to the Constitution of the Commonwealth of Pennsylvania, further providing for retirement of justices, judges and justices of the peace.

Referred to Committee on JUDICIARY, February 14, 1989.

**No. 453** By Representatives GODSHALL, COY, RYBAK, ITKIN, HASAY, FOX, CIVERA, COHEN, STABACK, JOHNSON, HERMAN, BLAUM, E. Z. TAYLOR, FARMER, MICHLOVIC, DeLUCA, LASHINGER, VEON, GIGLIOTTI, BURD, RITTER, LEVDANSKY, COLAFELLA, LEH, McHALE, CARLSON, TRICH, RAYMOND, BUNT, McCALL, CORNELL, OLASZ, KAISER, MELIO, MAINE, BELARDI and BISHOP

An Act amending the act of June 13, 1967 (P. L. 31, No. 21), known as the "Public Welfare Code," further providing for the inspection of child day-care centers.

Referred to Committee on YOUTH AND AGING, February 14, 1989.

**No. 454** By Representatives GODSHALL, TRELLO, STABACK, VEON, HALUSKA, DISTLER, CIVERA, CORNELL, BUNT, McHALE, WOZNAK, OLASZ and REINARD

An Act amending the act of February 1, 1966 (1965 P. L. 1656, No. 581), known as "The Borough Code," further providing for certain utility billing.

Referred to Committee on LOCAL GOVERNMENT, February 14, 1989.

**No. 455** By Representatives GODSHALL, TIGUE, NOYE, COY, REBER, LEVDANSKY, S. H. SMITH, DISTLER, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS, SCHULER, PETRARCA, CARLSON, HERMAN, STABACK, ALLEN, CLYMER, HASAY, FARGO, GEIST, STAIRS, JOHNSON, GIGLIOTTI, HALUSKA, BURD, TRELLO, MICOZZIE, VROON, BUNT, WOZNAK, OLASZ, E. Z. TAYLOR, CORNELL, FLICK, VEON, McVERRY and G. SNYDER

An Act amending Title 34 (Game) of the Pennsylvania Consolidated Statutes, further providing for the utilization of field receipts.

Referred to Committee on GAME AND FISHERIES, February 14, 1989.

**No. 456** By Representatives DISTLER, DeLUCA, PICCOLA, NAHILL, DEMPSEY, JADLOWIEC, BILLOW, CARLSON, CESSAR, GODSHALL, BUNT, FOX, ANGSTADT, HALUSKA, BELFANTI, ROBBINS, CIVERA, HERMAN, RUDY, DIETTERICK, PHILLIPS, MORRIS, CAWLEY, FLEAGLE, BELARDI, CORRIGAN, LAUGHLIN, COLAIZZO, MARSICO, BURD, MELIO, OLIVER,



MICOZZIE, RAYMOND, JOHNSON,  
MAINE, OLASZ and BISHOP

An Act amending the act of April 9, 1929 (P. L. 177, No. 175), known as "The Administrative Code of 1929," dedicating the Main Capitol Building Annex and Plaza to the honor of Pennsylvania firemen who have died in the line of duty.

Referred to Committee on STATE GOVERNMENT, February 14, 1989.

**No. 457** By Representatives HALUSKA, CARLSON, LETTERMAN, FARGO, KOSINSKI, MAINE, VEON, KUKOVICH, COLAFELLA, MORRIS, McCALL, HERMAN, SAURMAN, TIGUE, KASUNIC, MERRY, DIETTERICK, CORRIGAN, BUSH, COLAIZZO, WOZNIAK, DALEY, CAWLEY, TRELLO, JOHNSON and HOWLETT

An Act establishing a loan program for the construction of commercial and industrial shell buildings to be administered by the Department of Commerce; and making an appropriation.

Referred to Committee on APPROPRIATIONS, February 14, 1989.

**No. 458** By Representatives HALUSKA, GEIST, LLOYD, CAWLEY, MELIO, HERMAN, RYBAK, MARKOSEK, KOSINSKI, ACOSTA, TIGUE, JADLOWIEC, MORRIS, F. TAYLOR, CAPPABIANCA, LETTERMAN, MAINE, BILLOW, FOX, MICOZZIE, KUKOVICH, DALEY, CORRIGAN, REBER, JAROLIN, COLAFELLA, WASS, McCALL, MERRY, TANGRETTI, STAIRS, BUNT, LaGROTTA, DeLUCA, DISTLER, COY, VEON, COLAIZZO, CIVERA, PISTELLA, WOZNIAK, NAHILL, BISHOP, BELFANTI, SERAFINI, KENNEY, LASHINGER, BATTISTO, ROBBINS, SEMMEL, PETRARCA, LEVDANSKY, WOGAN, LANGTRY and HARPER

An Act providing a loan program for small business in this Commonwealth.

Referred to Committee on BUSINESS AND COMMERCE, February 14, 1989.

**No. 459** By Representative LETTERMAN

An Act amending the act of July 12, 1972 (P. L. 847, No. 187), referred to as the "Strikebreaker Employment Act," further providing for unlawful activities.

Referred to Committee on LABOR RELATIONS, February 14, 1989.

**No. 460** By Representative LETTERMAN

An Act amending the act of June 3, 1937 (P. L. 1333, No. 320), known as the "Pennsylvania Election Code," further providing for the circulation and filing of nomination petitions.

Referred to Committee on STATE GOVERNMENT, February 14, 1989.

**No. 461** By Representative LETTERMAN

An Act making an appropriation to the Clinton County Historical Society for the purchase of a site to house the Piper Museum.

Referred to Committee on APPROPRIATIONS, February 14, 1989.

**No. 462** By Representative LETTERMAN

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for exemption from registration fees.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 463** By Representatives BOWLEY, DISTLER, YANDRISEVITS, LETTERMAN, VEON, WASS, GEIST, F. TAYLOR, MORRIS, HERMAN, CAWLEY, MELIO, CAPPABIANCA, STABACK, HALUSKA, LINTON, COY, JOHNSON, COLAIZZO, S. H. SMITH, MERRY, BISHOP, CLYMER, TRELLO, BATTISTO, GRUPPO, HECKLER, BILLOW, HASAY, MICHLOVIC, HAGARTY, ROBBINS, DIETTERICK, LEVDANSKY and B. SMITH

An Act providing for penal damages for the conversion of timber.

Referred to Committee on JUDICIARY, February 14, 1989.

**No. 464** By Representatives BOWLEY, DISTLER, YANDRISEVITS, LETTERMAN, VEON, WASS, GEIST, F. TAYLOR, MORRIS, HERMAN, CAWLEY, MELIO, CAPPABIANCA, STABACK, HALUSKA, LINTON, COY, JOHNSON, COLAIZZO, S. H. SMITH, MERRY, BISHOP, CLYMER, TRELLO, BATTISTO, GRUPPO, HECKLER, BILLOW, HASAY, MICHLOVIC, ROBBINS, DIETTERICK, LEVDANSKY and B. SMITH

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, further providing for limitation of actions relating to conversion and theft of timber.

Referred to Committee on JUDICIARY, February 14, 1989.

**No. 465** By Representatives LESCOVITZ, LaGROTTA, PISTELLA, KOSINSKI, COLAFELLA, SERAFINI, ROBBINS, COHEN, BUNT, SALOOM, B. SMITH, GODSHALL, VEON and DALEY

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for licenses to operate motor-driven cycles, motorized pedalcycles and for the issuance of personal registration plates for motorcycles; redefining the term "motor-driven cycle"; and deleting provisions relating to the operation of pedalcycles.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 466** By Representatives MORRIS, HAYES, COLE, BRANDT, HERMAN, RUDY, WASS, STUBAN, BARLEY, HERSHEY and D. F. CLARK

An Act making an appropriation to The Pennsylvania State University for agricultural research within the College of Agriculture.

Referred to Committee on APPROPRIATIONS, February 14, 1989.

**No. 467** By Representatives NAHILL, STUBAN, LESCOVITZ, CARLSON, KOSINSKI, VROON, FLEAGLE, SCHULER, FARGO, NOYE, TRELLO, SAURMAN, LINTON, CAWLEY, FOX, BUNT, TIGUE, HESS, HECKLER, RITTER, McVERRY, GANNON, E. Z. TAYLOR, PHILLIPS, HALUSKA, MICOZZIE, CORRIGAN, SEMMEL, FARMER, STABACK, OLASZ, LANGTRY, JOHNSON, RAYMOND, LEE and FOSTER

An Act providing that whenever the General Assembly or a Commonwealth agency mandates by law or regulation new responsibilities, a new program or increased levels of service of an existing program that affect municipalities or school districts, the Commonwealth shall provide full funding of the responsibilities, programs or services.

Referred to Committee on EDUCATION, February 14, 1989.

**No. 468** By Representatives NAHILL, BELFANTI, DeLUCA, J. L. WRIGHT, SAURMAN, DURHAM, HECKLER, REBER, MICOZZIE, FOX, RAYMOND, J. TAYLOR, PETRONE, SEMMEL, PERZEL, VEON, CIVERA, OLASZ, VROON, TRELLO, CAWLEY, BUNT, MICHLOVIC, BATTISTO, LASHINGER, SERAFINI, CORRIGAN, ROBINSON, CORNELL, STABACK, HOWLETT and GEIST

An Act providing for the licensing of professional home inspectors; granting powers to and imposing duties on the Secretary of Labor and Industry; and providing a civil penalty.

Referred to Committee on PROFESSIONAL LICENSURE, February 14, 1989.

**No. 469** By Representatives JAROLIN, FEE, SCHULER, DEMPSEY, LETTERMAN, GIGLIOTTI, KOSINSKI, FOX,

ROBINSON, RYBAK, HALUSKA, TRELLO, CAWLEY, NOYE, GEIST, BIRMELIN, OLIVER, BATTISTO, DeLUCA, VEON, COY, SCHEETZ, DIETTERICK, CIVERA, BELARDI, STABACK, RAYMOND, PRESTON, E. Z. TAYLOR, CORRIGAN, ACOSTA, SALOOM, HOWLETT and KASUNIC

An Act amending the act of April 12, 1951 (P. L. 90, No. 21), known as the "Liquor Code," increasing certain penalties.

Referred to Committee on LIQUOR CONTROL, February 14, 1989.

**No. 470** By Representatives JAROLIN, FEE, STISH, KOSINSKI, REBER, TRELLO, CAWLEY, NOYE, OLIVER, CIVERA, BELARDI, PETRARCA, SALOOM and HOWLETT

An Act amending the act of July 7, 1980 (P. L. 380, No. 97), known as the "Solid Waste Management Act," further providing for granting, renewing, modifying, revoking and suspending permits and licenses.

Referred to Committee on CONSERVATION, February 14, 1989.

**No. 471** By Representatives JAROLIN, FEE, KOSINSKI, TRELLO, CAWLEY, DIETTERICK, CIVERA, PRESTON, E. Z. TAYLOR, SALOOM and HOWLETT

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for duplicate drivers' licenses.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 472** By Representatives JAROLIN, FEE, STISH, LETTERMAN, VAN HORNE, KOSINSKI, DOMBROWSKI, SEMMEL, HALUSKA, REBER, TRELLO, CAWLEY, TIGUE, NOYE, WOZNIAK, BATTISTO, VEON, DIETTERICK, BELFANTI, CIVERA, BELARDI, STABACK, RAYMOND, PRESTON, E. Z. TAYLOR, SALOOM, HOWLETT and SERAFINI

An Act requiring the Department of General Services to conduct certain restricted auctions of surplus property solely for the benefit of municipalities.

Referred to Committee on STATE GOVERNMENT, February 14, 1989.

**No. 473** By Representatives JAROLIN, FEE, KOSINSKI, TRELLO, CAWLEY, VEON, STEIGHNER, CIVERA, STABACK, SALOOM and SERAFINI

An Act imposing a fee upon persons mining or removing coal; and placing restrictions upon the expenditure of certain moneys.

Referred to Committee on CONSERVATION, February 14, 1989.

**No. 474** By Representatives JAROLIN, FEE, STISH, LETTERMAN, HERMAN, VAN HORNE, KOSINSKI, SEMMEL, ROBINSON, RYBAK, MAINE, REBER, TRELLO, CAWLEY, TIGUE, OLIVER, CARLSON, BATTISTO, DeLUCA, FREEMAN, VEON, STEIGHNER, MICOZZIE, BELFANTI, RUDY, CIVERA, BELARDI, RAYMOND, MILLER, E. Z. TAYLOR, LAUGHLIN, CORRIGAN, PETRARCA, SALOOM, HOWLETT and SERAFINI

An Act amending the act of November 4, 1983 (P. L. 217, No. 63), known as the "Pharmaceutical Assistance Contract for the Elderly Act," further defining "eligible claimant."

Referred to Committee on YOUTH AND AGING, February 14, 1989.

**No. 475** By Representatives JAROLIN, FEE, VAN HORNE, KOSINSKI, SEMMEL, RYBAK, HALUSKA, REBER, TRELLO, CAWLEY, NOYE, CARLSON, VEON, STEIGHNER, COY, BELARDI, E. Z. TAYLOR, PETRARCA, SALOOM, HOWLETT and KASUNIC

An Act amending Title 30 (Fish) of the Pennsylvania Consolidated Statutes, further providing for lifetime fishing licenses for mentally retarded and physically handicapped persons.

Referred to Committee on GAME AND FISHERIES, February 14, 1989.

**No. 476** By Representatives JAROLIN, FEE, STISH, LETTERMAN, KOSINSKI, ROBINSON, TRELLO, CAWLEY, VEON, E. Z. TAYLOR and SALOOM

An Act amending the act of May 2, 1945 (P. L. 382, No. 164), known as the "Municipality Authorities Act of 1945," further providing for the membership of governing bodies of municipal authorities; and making an editorial change.

Referred to Committee on LOCAL GOVERNMENT, February 14, 1989.

**No. 477** By Representatives JAROLIN, FEE, STISH, LETTERMAN, KOSINSKI, HALUSKA, TRELLO, CAWLEY, TIGUE, VEON, E. Z. TAYLOR, SALOOM and KASUNIC

An Act amending the act of June 2, 1915 (P. L. 736, No. 338), known as "The Pennsylvania Workmen's Compensation Act," further defining the term "municipality" to include counties for certain volunteer situations.

Referred to Committee on LABOR RELATIONS, February 14, 1989.

**No. 478** By Representatives JAROLIN, FEE, STISH, LETTERMAN, GIGLIOTTI, KOSINSKI, TRELLO, CAWLEY, TIGUE, VEON, BELARDI, SALOOM, HOWLETT and KASUNIC

An Act amending the act of April 9, 1929 (P. L. 177, No. 175), known as "The Administrative Code of 1929," requiring certain purchases to be made from domestic bidders; and making editorial changes.

Referred to Committee on STATE GOVERNMENT, February 14, 1989.

**No. 479** By Representatives HERMAN, COLAFELLA, FOX, MAIALE, PERZEL, MARKOSEK, NOYE, JOHNSON, MAINE, LETTERMAN, GIGLIOTTI, GLADECK, HALUSKA, PHILLIPS, SEMMEL, TRELLO, SAURMAN, MICHLOVIC, McHALE, WILLIAMS, DIETTERICK, MICOZZIE, GODSHALL, GEIST, ANGSTADT, BELARDI, FLICK, CORRIGAN, ROBBINS, CLYMER, RYBAK, VEON, THOMAS, McCALL, CIVERA, OLASZ, BUSH, TELEK, RAYMOND, MILLER, McVERRY, LAUGHLIN and KASUNIC

An Act amending the act of January 25, 1966 (1965 P. L. 1546, No. 541), entitled "An act providing scholarships and providing funds to secure Federal funds for qualified students of the Commonwealth of Pennsylvania who need financial assistance to attend postsecondary institutions of higher learning, making an appropriation, and providing for the administration of this act," further providing for the length of scholarships for certain scholarship recipients.

Referred to Committee on EDUCATION, February 14, 1989.

**No. 480** By Representatives TRELLO, TIGUE, DALEY, CIVERA, GEIST, LETTERMAN, F. TAYLOR, BUNT, DeLUCA, BLAUM, BELARDI, LAUGHLIN, SALOOM, CAWLEY, DOMBROWSKI, BILLOW, VEON, ACOSTA, McCALL, STABACK, COLAIZZO, MICOZZIE, PISTELLA, LASHINGER, BISHOP, KENNEY, GRUPPO and ROBBINS

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for department records.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 481** By Representatives TRELLO, TIGUE, LUCYK, DALEY, CIVERA, LETTERMAN, F. TAYLOR, BUNT, REBER, CAWLEY, BILLOW, FOX, VEON, STABACK, DeLUCA, VROON, COLAIZZO, PISTELLA, E. Z. TAYLOR, BISHOP, KENNEY, GRUPPO and ROBBINS

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for alteration of maximum speed limits.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 482** By Representatives TRELLO, MAYERNIK, CIVERA, DALEY, GEIST, HESS, RYBAK, ROBINSON, VROON, LETTERMAN, F. TAYLOR, BUNT, DOMBROWSKI, BILLOW, FOX, VEON, ACOSTA, STABACK, SCHEETZ, BLAUM, COLAIZZO, MICOZZIE, KOSINSKI, PISTELLA, LASHINGER, BISHOP, KENNEY, SERAFINI, BATTISTO, GRUPPO and E. Z. TAYLOR

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for the revocation of operating privilege for violations relating to homicide by vehicle while under the influence.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 483** By Representatives TRELLO, MAYERNIK, DALEY, CIVERA, GEIST, VROON, RYBAK, ROBINSON, F. TAYLOR, BUNT, BILLOW, FOX, VEON, ACOSTA, RUDY, STABACK, SCHEETZ, BLAUM, COLAIZZO, MICOZZIE, KOSINSKI, PISTELLA, BISHOP, KENNEY, BATTISTO, GRUPPO and E. Z. TAYLOR

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for the penalty for homicide by vehicle while driving under the influence.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 484** By Representatives TRELLO, DALEY, CIVERA, GEIST, F. TAYLOR, BUNT, BILLOW, VEON, STABACK, VROON, PISTELLA, BISHOP, GRUPPO and CAWLEY

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for removal of abandoned vehicles.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 485** By Representatives TRELLO, PRESTON, DeWEESE, NAHILL, DALEY, CIVERA, KUKOVICH, COWELL, RYBAK, KOSINSKI, SALOOM, REBER, BUNT, BILLOW, FOX, RICHARDSON, JOHNSON, HALUSKA, VEON, CORNELL, VAN HORNE, BISHOP, MELIO, GIGLIOTTI and LAUGHLIN

An Act amending the act of February 11, 1976 (P. L. 14, No. 10), known as the "Pennsylvania Rural and Intercity Common Carrier Surface Transportation Assistance Act," further providing for grants for transportation; and making an editorial change.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 486** By Representatives TRELLO, PRESTON, DeWEESE, NAHILL, DALEY, CIVERA, KUKOVICH, COWELL, RYBAK, KOSINSKI, SALOOM, REBER, BUNT, DOMBROWSKI, BILLOW, FOX, DeLUCA, RICHARDSON, MICOZZIE, JOHNSON, LASHINGER, HALUSKA, WILLIAMS, VEON, CORNELL, VAN HORNE, BISHOP, MELIO, RAYMOND, GIGLIOTTI, LAUGHLIN and COLAFELLA

An Act amending the act of January 22, 1968 (P. L. 42, No. 8), known as the "Pennsylvania Urban Mass Transportation Law," further providing for grants for transportation; and making an editorial change.

Referred to Committee on TRANSPORTATION, February 14, 1989.

**No. 487** By Representatives TRELLO, PETRONE, DeLUCA, CORNELL, JOHNSON, REBER, NAHILL, DALEY, CIVERA, COLAIZZO, D. W. SNYDER, VEON, BISHOP, RAYMOND and LAUGHLIN

An Act amending the act of May 21, 1943 (P. L. 349, No. 162), entitled, as amended, "An act requiring political subdivisions to refund certain taxes, license fees, penalties, fines or moneys paid thereto, and providing for obtaining such refunds," further providing for refund of taxes.

Referred to Committee on FINANCE, February 14, 1989.

**No. 488** By Representatives TRELLO, HALUSKA, DALEY, COLAIZZO, VEON, BILLOW, CIVERA and BISHOP

An Act amending the act of September 27, 1961 (P. L. 1700, No. 699), known as the "Pharmacy Act," further providing for the applicability of continuing pharmacy education requirements.

Referred to Committee on PROFESSIONAL LICENSURE, February 14, 1989.

**No. 489** By Representatives TRELLO, SALOOM, CIVERA, MELIO, LAUGHLIN, COLAIZZO, WOZNAK, CORRIGAN, ITKIN, PISTELLA, VAN HORNE, HALUSKA, RAYMOND, GANNON, KOSINSKI, LEVDANSKY, DALEY, TIGUE, FOX, BILLOW, VEON, RICHARDSON and REBER

An Act amending the act of April 12, 1951 (P. L. 90, No. 21), known as the "Liquor Code," further providing for special occasion permits.

Referred to Committee on LIQUOR CONTROL, February 14, 1989.

**No. 490** By Representatives TRELLO, COLAFELLA, VEON, DALEY, BUNT, MICOZZIE, CIVERA and LASHINGER

An Act making an appropriation to the Traffic Accident Prevention Foundation, McKees Rocks.

Referred to Committee on APPROPRIATIONS, February 14, 1989.

**No. 491** By Representatives BOYES, VEON, McVERRY, JADLOWIEC, RYBAK, VROON, CAPPABIANCA, TRELLO, FOX, ACOSTA, MICOZZIE, ROBBINS, ANGSTADT, GANNON, MERRY, BUNT, SCHEETZ, BELARDI, NAHILL, D. W. SNYDER, LINTON, COLAIZZO, JOHNSON, S. H. SMITH, HERSHEY, CIVERA, TIGUE, BISHOP, BELFANTI, BATTISTO, GRUPPO, RAYMOND, LEVDANSKY, DIETTERICK, B. SMITH, KENNEY, J. L. WRIGHT, ALLEN and LANGTRY

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

Referred to Committee on JUDICIARY, February 14, 1989.

### HOUSE RESOLUTION INTRODUCED AND REFERRED

**No. 21** By Representatives DISTLER and JADLOWIEC

Designating the months of May and June, 1989 as Project Graduation Awareness Months."

Referred to Committee on RULES, February 14, 1989.

### LEAVES OF ABSENCE

The SPEAKER. The Chair recognizes the majority party for any requests for leaves of absence. Are there leaves of absence from the majority party? The Chair hears none.

The Chair recognizes the minority whip. Are there leaves of absence from the minority party?

Mr. HAYES. Yes, Mr. Speaker. I request a leave for the gentleman from Lehigh, Mr. SEMMEL, for this morning's session - just this morning's session.

The SPEAKER. Without objection, the leave will be granted. The Chair sees no objection.

The Chair recognizes the majority whip, who asks that we return to leaves of absence for leaves from the majority party.

Mr. DeWEESE. Mr. Speaker, the gentleman from Centre, Mr. LETTERMAN, for the remainder of the week, and the gentleman from Lehigh, Mr. McHALE, a temporary leave for today.

The SPEAKER. The Chair thanks the gentleman.

Without objection, the leaves requested are granted.

### BILL REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

**HB 243, PN 271**

By Rep. LLOYD

An Act relating to the practice of opticianry and contact lens fitting; requiring licensing of persons; and providing for injunctions and penalties.

PROFESSIONAL LICENSURE.

### MASTER ROLL CALL

The SPEAKER. The Chair is about to take the master roll call. Members will proceed to vote.

The following roll call was recorded:

#### PRESENT—192

Acosta	Dombrowski	Lashinger	Robbins
Adolph	Donatucci	Laughlin	Robinson
Allen	Dorr	Lee	Roebuck
Angstadt	Durham	Leh	Rudy
Argall	Evans	Lescovitz	Ryan
Barley	Fairchild	Levdansky	Rybak
Battisto	Farmer	Linton	Saloom
Belardi	Fleagle	Lloyd	Saurman
Belfanti	Flick	Lucyk	Scheetz
Billow	Foster	McCall	Schuler
Bishop	Fox	McNally	Scriminti
Black	Freeman	McVerry	Serafini
Blaum	Freind	Maiale	Smith, B.
Bortner	Gallen	Maine	Smith, S. H.
Bowley	Gannon	Markosek	Snyder, D. W.
Boyes	Geist	Marsico	Snyder, G.
Brandt	George	Mayernik	Staback
Broujos	Gigliotti	Melio	Stairs
Bunt	Gladeck	Merry	Steighner
Burd	Godshall	Michlovic	Stish
Burns	Gruitza	Micozzie	Strittmatter
Bush	Gruppo	Miller	Stuban
Caltagirone	Hagarty	Moehlmann	Tangretti
Cappabianca	Haluska	Morris	Taylor, E. Z.
Carlson	Harper	Mowery	Taylor, F.
Carn	Hasay	Mrkonic	Taylor, J.
Cawley	Hayden	Murphy	Telek
Cessar	Hayes	Nahill	Thomas
Chadwick	Heckler	Nailor	Tigue
Civera	Herman	O'Brien	Trello
Clark, B. D.	Hershey	O'Donnell	Trich
Clark, D. F.	Hess	Oliver	Van Horne
Clark, J. H.	Howlett	Perzel	Veon
Clymer	Hughes	Petrarca	Vroon
Cohen	Itkin	Petrone	Wambach
Colaifella	Jackson	Phillips	Wass
Colaizzo	Jadlowiec	Piccola	Weston
Cole	James	Pievsky	Williams
Cornell	Jarolin	Pistella	Wilson
Corrigan	Johnson	Pitts	Wogan
Coy	Josephs	Pressmann	Wozniak
DeLuca	Kaiser	Preston	Wright, D. R.
DeWeese	Kasunic	Raymond	Wright, J. L.
Daley	Kenney	Reber	Wright, R. C.
Davies	Kondrich	Reinard	Yandrisevits
Dempsey	Kosinski	Richardson	
Dietterick	Kukovich	Rieger	Manderino,
Dininni	LaGrotta	Ritter	Speaker
Distler	Langtry		

#### ADDITIONS—1

Cowell

NOT VOTING—0

EXCUSED—9

Birmelin	Gamble	McHale	Olasz
Fargo	Letterman	Noye	Semmel
Fee			

LEAVES CANCELED—2

McHale	Semmel
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CALENDAR

SPECIAL ORDER OF BUSINESS

BILLS ON THIRD CONSIDERATION

The SPEAKER. At the request of the majority leader, Mr. O'Donnell, the Speaker will follow the schedule of bills as given by the majority leader. HB 92 is the first bill scheduled for handling this morning. That is on page 2 of today's calendar.

Without objection, we will turn to page 2 of today's calendar and take up as a special order of business HB 92, PN 99. The Chair hears no objection.

The House proceeded to third consideration of **HB 92, PN 99**, entitled:

An Act amending the act of May 25, 1945 (P. L. 1050, No. 394), known as the "Local Tax Collection Law," further providing for the compensation of tax collectors in first class townships.

On the question,

Will the House agree to the bill on third consideration?

Mr. COLAIZZO offered the following amendment No. A0089:

Amend Sec. 1 (Sec. 34), page 3, line 7, by striking out "three" and inserting five

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, the Chair recognizes the gentleman from Washington, Mr. Colaizzo.

Mr. COLAIZZO. Mr. Speaker, I rise to present an amendment to the bill raising the percentage to 5 percent of the tax collector's fee. The present bill, the way it stands, will bring hardship on some of the present tax collectors in the first-class-township municipalities, and that is the purpose for the amendment, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—164

Acosta	Dietterick	Lee	Roebuck
Allen	Dombrowski	Leh	Rudy
Angstadt	Donatucci	Lescovitz	Ryan
Barley	Dorr	Levdansky	Rybak
Battisto	Durham	Linton	Saloom
Belardi	Evans	Lloyd	Saurman
Belfanti	Fleagle	Lucyk	Scrimenti
Billow	Foster	McCall	Serafini

Bishop	Fox	McNally	Smith, B.
Black	Freeman	Maiale	Smith, S. H.
Blaum	Gannon	Maine	Snyder, G.
Bortner	Geist	Markosek	Staback
Bowley	George	Mayermik	Stairs
Boyes	Gigliotti	Melio	Steighner
Brandt	Gladeck	Michlovic	Stish
Broujos	Gruitza	Micozzie	Strittmatter
Bunt	Gruppo	Moehlmann	Stuban
Burd	Haluska	Morris	Tangretti
Bush	Harper	Mowery	Taylor, E. Z.
Caltagirone	Hasay	Mrkonic	Taylor, F.
Cappabianca	Hayden	Murphy	Taylor, J.
Carlson	Hayes	Nailor	Telek
Carn	Herman	O'Brien	Thomas
Cawley	Hershey	O'Donnell	Tigue
Cessar	Hess	Oliver	Trello
Chadwick	Howlett	Perzel	Trich
Civera	Hughes	Petrarca	Van Horne
Clark, B. D.	Itkin	Petrone	Veon
Clark, D. F.	Jackson	Phillips	Wambach
Clark, J. H.	James	Piccola	Wass
Cohen	Jarolin	Pievsky	Weston
Colaifella	Johnson	Pistella	Williams
Colaizzo	Josephs	Pitts	Wilson
Cole	Kaiser	Pressmann	Wogan
Cornell	Kasunic	Preston	Wozniak
Corrigan	Kenney	Raymond	Wright, D. R.
Coy	Kondrich	Reber	Wright, J. L.
DeLuca	Kosinski	Richardson	Wright, R. C.
DeWeese	Kukovich	Rieger	
Daley	LaGrotta	Ritter	Manderino,
Davies	Lashingier	Robinson	Speaker
Dempsey	Laughlin		

NAYS—27

Adolph	Farmer	Jadlowiec	Robbins
Argall	Flick	Langry	Scheetz
Burns	Freind	Marsico	Schuler
Clymer	Gallen	Merry	Snyder, D. W.
Dininni	Godshall	Miller	Vroon
Distler	Hagarty	Nahill	Yandrisevits
Fairchild	Heckler	Reinard	

NOT VOTING—2

Cowell	McVerry
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EXCUSED—9

Birmelin	Gamble	McHale	Olasz
Fargo	Letterman	Noye	Semmel
Fee			

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

On the question,

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

Bill as amended was agreed to.

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

The question is, shall the bill pass finally?

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

YEAS—190

Acosta	Distler	LaGrotta	Ritter
Adolph	Dombrowski	Lashingier	Robbins
Allen	Donatucci	Laughlin	Robinson
Angstadt	Dorr	Lee	Roebuck
Argall	Durham	Leh	Rudy
Barley	Evans	Lescovitz	Ryan

Battisto	Fairchild	Levdansky	Rybak
Belardi	Farmer	Linton	Saloom
Belfanti	Fleagle	Lloyd	Saurman
Billow	Flick	Lucyk	Scheetz
Bishop	Foster	McCall	Schuler
Black	Fox	McNally	Scrimenti
Blaum	Freeman	McVerry	Serafini
Bortner	Freind	Maiale	Smith, B.
Bowley	Gallen	Maine	Smith, S. H.
Boyes	Gannon	Markosek	Snyder, G.
Brandt	Geist	Marsico	Staback
Broujos	George	Mayernik	Stairs
Bunt	Gigliotti	Melio	Steighner
Burd	Gladeck	Merry	Stish
Burns	Godshall	Michlovic	Strittmatter
Bush	Gruitza	Micozzie	Stuban
Caltagirone	Gruppo	Miller	Tangretti
Cappabianca	Hagarty	Moehlmann	Taylor, E. Z.
Carlson	Haluska	Morris	Taylor, F.
Carn	Harper	Mowery	Taylor, J.
Cawley	Hasay	Mrkonic	Telek
Cessar	Hayden	Murphy	Thomas
Chadwick	Hayes	Nahill	Tigue
Civera	Heckler	Nailor	Trello
Clark, B. D.	Herman	O'Brien	Trich
Clark, D. F.	Hershey	O'Donnell	Van Horne
Clark, J. H.	Hess	Oliver	Veon
Clymer	Howlett	Perzel	Vroon
Cohen	Hughes	Petrarca	Wambach
Colafiglia	Itkin	Petrone	Wass
Colaizzo	Jackson	Phillips	Weston
Cole	Jadlowiec	Piccola	Williams
Cornell	James	Pievsky	Wilson
Corrigan	Jarolin	Pistella	Wogan
Coy	Johnson	Pitts	Wozniak
DeLuca	Josephs	Pressmann	Wright, D. R.
DeWeese	Kaiser	Preston	Wright, J. L.
Daley	Kasunic	Raymond	Wright, R. C.
Davies	Kenney	Reber	Yandrisevits
Dempsey	Kondrich	Reinard	
Dietterick	Kosinski	Richardson	Manderino,
Dininni	Kukovich	Rieger	Speaker

NAYS—2

Langtry Snyder, D. W.

NOT VOTING—1

Cowell

EXCUSED—9

Birmelin	Gamble	McHale	Olasz
Fargo	Letterman	Noye	Semmel
Fee			

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

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

\* \* \*

The House proceeded to third consideration of **HB 105, PN 284**, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for extraordinary medical benefits, for limits, for transition of catastrophic loss benefits and for funding of benefits; and making repeals.

On the question,

Will the House agree to the bill on third consideration?

Mr. MOWERY offered the following amendment No. A0218:

Amend Sec. 4 (Sec. 1715), page 3, by inserting between lines 24 and 25

(f) Determining adverse experience of an agent.—For purposes of determining adverse experience of an agent, experience generated from extraordinary medical benefit coverage described in subsection (a)(1.1) shall be excluded.

On the question,

Will the House agree to the amendment?

The SPEAKER. On that question, the Chair recognizes the gentleman from Cumberland County, Mr. Mowery.

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

I believe that it is fair to say that this is an agreed-to amendment at this point. It basically provides protection to the insurance agents who offer this coverage without fear of cancellation of their agency contracts because of the high-dollar losses that are expected to be generated by these types of claims, therefore enabling the policyholders to receive continued service from their agents.

I would ask for a "yes" vote on this amendment.

The SPEAKER. The Chair recognizes the gentleman from Somerset, Mr. Lloyd, on the amendment.

Mr. LLOYD. Mr. Speaker, while I do not agree with Mr. Mowery that we are going to have a big loss experience, I do agree with this amendment, because any loss experience which would occur would be the loss experience of the pool and not the company and therefore should not be the loss experience of the agent. That is already the principle of the bill, and I think this amendment will nail that down.

I would ask for an affirmative vote on the amendment.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—192

Acosta	Dombrowski	Lashinger	Robbins
Adolph	Donatucci	Laughlin	Robinson
Allen	Dorr	Lee	Roebuck
Angstadt	Durham	Leh	Rudy
Argall	Evans	Lescovitz	Ryan
Barley	Fairchild	Levdansky	Rybak
Battisto	Farmer	Linton	Saloom
Belardi	Fleagle	Lloyd	Saurman
Belfanti	Flick	Lucyk	Scheetz
Billow	Foster	McCall	Schuler
Bishop	Fox	McNally	Scrimenti
Black	Freeman	McVerry	Serafini
Blaum	Freind	Maiale	Smith, B.
Bortner	Gallen	Maine	Smith, S. H.
Bowley	Gannon	Markosek	Snyder, D. W.
Boyes	Geist	Marsico	Snyder, G.
Brandt	George	Mayernik	Staback
Broujos	Gigliotti	Melio	Stairs
Bunt	Gladeck	Merry	Steighner
Burd	Godshall	Michlovic	Stish
Burns	Gruitza	Micozzie	Strittmatter
Bush	Gruppo	Miller	Stuban
Caltagirone	Hagarty	Moehlmann	Tangretti
Cappabianca	Haluska	Morris	Taylor, E. Z.
Carlson	Harper	Mowery	Taylor, F.
Carn	Hasay	Mrkonic	Taylor, J.

Cawley	Hayden	Murphy	Telek
Cessar	Hayes	Nahill	Thomas
Chadwick	Heckler	Nailor	Tigue
Civera	Herman	O'Brien	Trello
Clark, B. D.	Hershey	O'Donnell	Trich
Clark, D. F.	Hess	Oliver	Van Horne
Clark, J. H.	Howlett	Perzel	Veon
Clymer	Hughes	Petrarca	Vroon
Cohen	Itkin	Petrone	Wambach
Colaella	Jackson	Phillips	Wass
Colaizzo	Jadlowiec	Piccola	Weston
Cole	James	Pievsky	Williams
Cornell	Jarolin	Pistella	Wilson
Corrigan	Johnson	Pitts	Wogan
Coy	Josephs	Pressmann	Wozniak
DeLuca	Kaiser	Preston	Wright, D. R.
DeWeese	Kasunic	Raymond	Wright, J. L.
Daley	Kenney	Reber	Wright, R. C.
Davies	Kondrich	Reinard	Yandrisevits
Dempsey	Kosinski	Richardson	
Dietterick	Kukovich	Rieger	Manderino,
Dininni	LaGrotta	Ritter	Speaker
Distler	Langtry		

## NAYS—0

## NOT VOTING—1

Cowell

## EXCUSED—9

Birmelin	Gamble	McHale	Olasz
Fargo	Letterman	Noye	Semmel
Fee			

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

On the question,

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

Mr. FREIND offered the following amendments No. A0196:

Amend Title, page 1, lines 2 through 4, by striking out "providing for extraordinary medical benefits, for" in line 2, all of line 3, "funding of benefits;" in line 4 and inserting requiring certain insurers to provide catastrophic loss coverage; imposing additional powers and duties on the Insurance Commissioner; requiring certain refunds; requiring a report for the amortization of certain unfunded liability;

Amend Sec. 4, page 2, line 3, by striking out ", 1722 and 1723" and inserting

and 1791

Amend Sec. 4 (Sec. 1715), page 2, lines 9 through 13, by striking out ", from \$100,000" in line 9, all of lines 10 through 13 and inserting

at a minimum of \$100,000 up to \$1,100,000.

Amend Sec. 4 (Sec. 1715), page 2, line 22, by striking out the bracket before "\$277,500"

Amend Sec. 4 (Sec. 1715), page 2, line 22, by striking out "] \$1,177,500"

Amend Sec. 4 (Sec. 1715), page 3, lines 3 through 20, by striking out all of said lines and inserting

(d) Nonapplication of certain laws.—Nothing contained herein nor anything contained in the act of June 11, 1947 (P.L.538, No.246), known as The Casualty and Surety Rate Regulatory Act, shall be construed to prohibit two or more insurers from entering into any arrangement or agreement to provide for the availability of extraordinary medical expense benefits in a manner consistent with the intent of this title and on the most equitable terms and conditions possible. All such arrangements

or agreements entered into by an insurer shall be subject to the prior approval of the Insurance Commissioner and such benefits shall be made available to all insureds without discrimination.

Amend Bill, page 3, lines 25 through 30; page 4, lines 1 through 30; page 5, line 1, by striking out all of said lines on said pages

Amend Sec. 7 (Sec. 1791), page 5, line 18, by striking out "2 from \$100,000" and inserting

of at least \$100,000 up

Amend Sec. 7 (Sec. 1791), page 5, line 26, by striking out the brackets before and after "\$277,500"

Amend Sec. 7 (Sec. 1791), page 5, line 27, by striking out "\$1,177,500"

Amend Sec. 8, page 6, line 20, by striking out "8" and inserting

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Amend Sec. 8 (Sec. 1798.1), page 6, lines 21 through 30; page 7, lines 1 through 30; page 8, lines 1 through 23, by striking out all of said lines on said pages

Amend Sec. 8 (Sec. 1798.2), page 8, line 24, by striking out "1798.2" and inserting

1798.1

Amend Sec. 8 (Sec. 1798.2), page 8, line 25, by striking out "(a) Savings provision.—"

Amend Bill, page 9, lines 15 through 30; page 10, lines 1 through 30; page 11, lines 1 through 7, by striking out all of said lines on said pages and inserting

§ 1799. Additional powers and duties of Insurance Commissioner.

(a) Powers and duties generally.—

(1) The Insurance Commissioner may employ and fix the compensation of an executive director who shall carry out the decisions of the Insurance Commissioner. The Insurance Commissioner shall promulgate rules and regulations necessary to carry out the purposes of the Catastrophic Loss Trust Fund.

(2) The Insurance Commissioner may contract with an entity (administrator) deemed qualified to provide eligible claimants with catastrophic loss benefits. The contract shall not be for a term in excess of two years. Contracts shall be let pursuant to the bidding procedures of the Commonwealth.

(3) The Insurance Commissioner may contract with an entity (manager) deemed qualified to manage the moneys of the fund, including their investment and reinvestment within the framework of the rules and regulations of the fund.

(4) The Insurance Commissioner may contract for such other professional services, to include, but not be limited to, accountants, quality control auditors and actuaries, necessary to ensure contract compliance by the administrator and manager, and determine future fund charges.

(5) The Insurance Commissioner may purchase on behalf of the fund such insurance and reinsurance as may be necessary to preserve the financial solvency of the fund.

(6) The Insurance Commissioner or an executive director shall receive all claims for catastrophic loss benefits and provide for the handling and monitoring of their progress.

(7) The Insurance Commissioner or an executive director shall assist any party with whom the board has contracted pursuant to this section in the performance of their duties.

(8) The Insurance Commissioner or an executive director shall establish a program to assure continuing publicity to the residents of this Commonwealth with respect to the manner of the presentation of claims thereto.

(9) The Insurance Commissioner upon receipt of a claim for catastrophic loss benefits, shall cause to be determined the eligibility of the claimant. If the claimant is found to be eligible, the Insurance Commissioner shall cause to be established a mechanism whereby payments to the provider



for reasonable and necessary medical treatment and rehabilitative services shall be promptly made.

(10) The Insurance Commissioner shall cause to be evaluated the medical treatment and rehabilitative services being provided each eligible claimant to assure that the same represents the most prudent expenditure of funds.

(11) The Insurance Commissioner or a manager shall accept all moneys collected for the fund.

(12) The Insurance Commissioner or a manager may invest and reinvest the moneys of the fund in the type of investments and in a manner based upon investments allowed by law and investment policies for similar fiduciaries.

(b) Refunds for paid CAT Fund fees.—

(1) The Insurance Commissioner shall establish, implement and administer a program for the refund on a pro rata basis of the unearned proportion of CAT Fund fees paid by registered vehicle owners for the unexpired period of time from March 1, 1989, for the currency of automobile registration periods expiring on or before January 30, 1990. Such a program shall include the making of arrangements with the United States Postal Service to verify the deposit of ordinary first class mail to the last known address of each registered vehicle owner determined to be eligible to receive a pro-rata refund of unearned CAT Fund fees paid in accordance with section 1762 (relating to funding) at such time as refunds are deposited with the United States Postal Service for delivery.

(2) In consideration of the acceptance of the refund of such unearned proportion of the CAT Fund fee to a registered vehicle owner, that vehicle owner and the occupants of the motor vehicle covered by such premium payment shall be stopped from claiming Catastrophic Loss Trust Fund benefits for injuries received on or after March 1, 1989.

(3) The Insurance Commissioner shall cause to be included in any instrument providing for the pro-rata refund of any CAT Fund fee a provision that receipt of the unearned portion of such CAT Fund fee by the registered vehicle owner shall constitute a release of the Commonwealth and the Catastrophic Loss Trust Fund Board or its successor from any and all liabilities to any person for payment of Catastrophic Loss Trust Fund benefits for injuries sustained on or after March 1, 1989.

(c) Funding report.—In order to assure the continuity and payment of Catastrophic Loss Trust Fund benefits and other financial obligations of the Catastrophic Loss Trust Fund Board and in recognition of the fact that such benefit payments and obligations are the obligations of the Commonwealth, the Secretary of the Budget is directed to recommend to the General Assembly within three months from the effective date of this act or May 15, 1989, whichever shall first occur, a plan for the adequate funding of all outstanding obligations of the Commonwealth arising out of the operations of the Catastrophic Loss Trust Fund Board from General Fund receipts of the Commonwealth for inclusion in the 1989-1990 General Fund budget and for such number of succeeding years as shall be determined to fully fund and retire all outstanding obligations of the Catastrophic Loss Trust Fund Board to eligible claimants and other creditors.

Section 6. Section 5 (section 1798.1) shall be

Amend Sec. 9, page 11, lines 8 and 9, by striking out "sections 1, 2, 3, 4, 6 and 8 (Section 1798.2(b))" and inserting section 4

Amend Sec. 10, page 11, line 11, by striking out "10" and inserting

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Amend Sec. 10, page 11, lines 12 through 19, by striking out all of said lines and inserting

(1) Section 4 shall take effect March 1, 1989.

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

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Freind, on the amendment.

Mr. FREIND. Thank you, Mr. Speaker.

This amendment is cosponsored by more than 20 members, including all of the Republican members of the House Insurance Committee.

HB 105 in its present form does a number of good things. As you know, the Governor, when he signed the law repealing the CAT Fund (Catastrophic Loss Trust Fund), extended coverage to March 1 and said there would be prorated refunds, which is fine except he had no statutory authority to do so. This legislation provides that statutory authority.

In addition, because of language added in committee by Representative Mowery, we have a great deal more flexibility since the bill now says that health carriers, in addition to auto insurance carriers, can now also offer CAT coverage, thus providing more availability and more competition.

The problem which remains with HB 105, however, is the fact that it requires all of the insurance companies to go into a pooling arrangement, and the legislation also indicates that the fee for at least the first year will be \$28. I would have thought, Mr. Speaker, that we learned our lesson with the results of the CAT Fund and that if we attempt to arbitrarily tinker with numbers and set artificial prices, we are doomed to failure, that in effect what we are doing is constructing a castle built on sand. The problem with the mandated pooling arrangement is the fact that it requires the insurance companies to collect the premium, to remit it to the pool, to pay claims, and then down the road be reimbursed. Now, you may not cry when I tell you that this will adversely affect the insurance companies with respect to their mandated reserves, but down the road, of course, it is going to affect all of our constituents in increasing all auto insurance premiums or, alternatively, making insurance less available.

The \$28 fee flies in the face of reality. Now, remember that by law the Insurance Commissioner can only approve rates if she determines that they are not excessive. Erie Insurance Company has already voluntarily submitted and been accepted at \$45, and remember, Erie virtually conducts no voluntary writing whatsoever in southeastern Pennsylvania. Harleysville has submitted and been approved for \$52. ISO (Insurance Services Office), which represents some 200 insurance companies, has just submitted a rate calling for \$62 for one vehicle and when two or more vehicles are involved, \$50 per vehicle. Now, you can talk about discounting your reserves all you want, but in view of these facts, how in the world we can come up with an arbitrary figure of \$28 is beyond me.

Accordingly, what this amendment does is it requires every insurance company to file and to offer catastrophic coverage. It tailor-makes it, however, for the consumer. HB 105 requires \$1 million coverage. A lot of our people may not

want \$1 million, but maybe they want \$100,000 or \$200,000. This amendment permits you to buy in integers with respect to your needs.

This amendment lets the price fall within the market price, and because of the Mowery language already in, what we are going to see is a generation of competition. Blue Cross - the Blue is getting involved in offering this also.

The other thing that it does is it addresses the problem of our unfunded liability. Right now HB 105 is silent on that. As originally drafted, HB 105 called for the unfunded liability to be paid for by, among other things, a 1-percent surcharge on the gross premiums of everyone's auto insurance. That, in my opinion, would have been an absolute disaster - an opinion I think was shared by the majority since they withdrew that language. However, we have a moral obligation to bite the bullet and fund the unfunded liability. So what my amendment requires is that the Budget Secretary report back to this legislature by May 31 or 3 months from the effective date of the act, whichever occurs sooner, as to his recommendations for each year how much money is needed to fund the unfunded liability out of the General Fund, which, in my opinion, Mr. Speaker, is the only appropriate way to do it. We created this problem; we should be the ones that solve it. If you tinker with auto insurance premiums with a surcharge, the people will perceive, justifiably, that we are replacing one unfair charge with another. In addition, it will not address the more than 300,000 people out there who are driving who are not insured.

I think this amendment makes sense. I think it is consumer oriented. It is designed to let every individual utilize what they have said they have wanted all along - their freedom of choice to determine: (a) whether or not they want the coverage, (b) how much coverage they want, and (c) how much they are willing to pay for the coverage. I think it is a commonsense approach, and I ask for its adoption. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Somerset, Mr. Lloyd.

Mr. LLOYD. Mr. Speaker, I oppose the amendment.

The first thing which this amendment does is to strike the mandatory insurance company participation in a pooled risk plan. As a result of that portion of the amendment, it would be inevitable that the price for this coverage would vary from company to company, and if you want to spread the risk and you want to relieve especially the small companies, like the Horace Manns which wanted to charge \$140, of the need to inflate their rates because of a fear that they are going to get hit with a disproportionate share of claims, you have to have pooling.

Secondly, as part of the deletion of the pooling requirement and, of more significance, in terms of the ultimate cost of this insurance, the amendment would strike out the authorization for discounting of the loss reserves. Now, the sponsor of this amendment said, well, how can \$28 be a right number? We know that the Insurance Commissioner has approved \$45, and we know that the Insurance Commissioner has approved

\$52. The answer to that is very simple. Under current car insurance ratemaking law, it is not permissible to discount the loss reserves. This bill would grant that authorization. That explains the difference between \$45 and \$28.

Basically, the principle is fairly straightforward. If a company knows that it has a liability of \$1 million and that liability is to be paid off not all at once but in dribs and drabs over a person's lifetime, it is not necessary for the insurance company to set aside \$1 million today in order to have enough money to pay the claims year by year when they come due. You time-discount money. You put aside something less than \$1 million, and then you use the interest to pay the claims. That is a principle of accounting; that is a principle of banking which most people are familiar with. That is what is involved in discounting the loss reserves for the purposes of catastrophic coverage. This is what is called long-tail coverage. That means that the liability that the insurance company incurs has a long tail to it. It gets paid off over a long period of time. At the present time some Pennsylvania insurance companies on similar long-tail coverage for medical malpractice insurance are discounting the loss reserves. Some companies, for the purpose of workers' compensation, which is also long-tail coverage, are discounting the loss reserves.

The real issue from a public-policy standpoint is, who ought to get the benefit of the interest which is earned on the premiums which our constituents pay for catastrophic coverage? Under the bill, those interest earnings, the investment earnings, would go back into the pool to help hold down the cost of the insurance. Under the Freind amendment, without any authorization for discounting of the loss reserves, those earnings will go to the insurance companies. In my opinion, we result in rates which are too high, we result in a windfall profit to the insurance companies, and we are charging our constituents more than we need to charge for reasonable coverage.

Now, Mr. Freind says that we know that \$28 is not enough for another reason, because the CAT Fund failed. Well, let us look at that. The actuary, when the CAT Fund was created, said it should have been started at \$14; the legislature decided \$5; and then subsequently, the CAT Fund Board said \$8. From the very beginning we were not paying attention to what the actuary said, so we created a problem.

This particular \$28 fee is based on the recommendation of Tillinghast, which is a reputable actuary, who said \$24 was an actuarially sound number. It then builds on top of that the agent's commission, the administrative expenses of the insurance company, and their 5-percent profit margin. That is how you get from \$24 to \$28. That \$28 fee is over five times the initial fee charged for the CAT Fund, over three times the most recent fee charged by the CAT Fund, and in effect, the same amount that the Tillinghast actuary said last year would be necessary to have the CAT Fund be actuarially sound.

In addition, Mr. Speaker, the argument has been made in debate previously that, well, we know that these rates are going to go up. We know that these rates might go up 16 percent a year, I think was the figure that somebody on the

other side mentioned last year. Let us take that as a given. Let us assume that when you look at overall auto insurance rates in Pennsylvania, they have gone up on the average of 13 percent a year. So let us be conservative. Let us assume that that \$28 figure is going to go up 20 percent a year, and let us also assume that the rate which Erie and Nationwide and Harleysville and these other companies are starting out with does not increase at all. At bat under those conservative assumptions, we would be charging under the pool less than Erie until the fourth year; we would be charging less than Harleysville and less than Nationwide and less than ISO with multiple vehicles until the fifth year; and we would be charging less than Aetna and ISO with single vehicles until the sixth year.

Now, we know that those rates of those private carriers are not going to stay with a zero increase for 6 years, but what I am telling you is if we take the arguments which have been made and we apply them to the \$28 rate, you should be able to see that we are, under the Freind amendment, going to be making our constituents pay more than they have to pay to have an actuarially sound policy. We are doing that, and we are allowing the money to go into the pockets of the insurance companies. And I do not know about your constituents but I do know about mine, and they do not want to hear about how I am down here trying to raise their insurance rates.

Now, Mr. Freind's amendment also is going to propose to pay off the debt for the CAT Fund out of the General Fund. We considered that last year on the floor of the House, and only 61 members voted for an amendment to pay off the CAT Fund debt out of the General Fund. Looking once again at how much that would cost, we come up with an estimate that somewhere between \$40 and \$45 million of additional revenue would have to come out of the General Fund starting July 1 under the Freind approach.

Now, I have been reading with pleasure the comments from the leaders of all four caucuses for the last couple of weeks about how it looks like we are on the same wavelength as far as the budget is concerned. It looks like we may differ about numbers, but conceptually, we are going in the right direction. I have been reading about the lawsuit which the bankers won; it is going to require some kind of a tax replacement. And I have been reading about objections to taking money, \$75 million, out of the State Workmen's Insurance Fund to fund the budget. Now, I look at all of that and I look at some of the things which have been pointed out as areas in the budget which need to be fixed, and I frankly do not see how we are going to do all of those things or any significant percentage of those things and then turn around and take \$40 to \$45 million out of the General Fund to pay off the CAT Fund debt.

Mr. Freind and I agree that the administration ought to come with a recommendation. We agree that that recommendation ought to be received no later than May 15. We disagree in that Mr. Freind wants to commit us to taking that money out of the General Fund before we know what the Governor's recommendations are and before we have examined other reasonable alternatives.

The Governor has sent a letter which each of you has received which indicates his intention to very shortly make his proposal, and I do not see any reason why we ought to tie our hands in advance and complicate the budget process by committing to take \$40 to \$45 million out of the General Fund for the purpose of the CAT Fund debt.

Finally, Mr. Speaker, on the question of refunds, the bill in its current form would authorize the Insurance Commissioner to return the money for those people who have part of their registration year left after March 1. Mr. Freind's amendment would require that a person, by accepting the check which he receives, would require that person to in effect waive any claim after March 1. The problem with that approach is, what happens if he sends the check back? What happens if he fails to cash the check? Many of our constituents are going to get a check for 67 cents, because what we are talking about is 67 cents a month in refunds. They are going to get a check and they are not going to negotiate it. If they are smart, they are going to hold on to that check at least until their registration year has run out, and then they will negotiate the check. If they get hurt in the meantime, under Mr. Freind's legal theory of contract, we are going to end up paying benefits to those people and we are going to end up increasing the unfunded liability even further.

So for all of those reasons, Mr. Speaker, I urge the defeat of the Freind amendment.

The SPEAKER. The Chair thanks the gentleman.

## WELCOME

The SPEAKER. The Speaker pauses in the deliberations of the House to welcome to the hall of the House public school superintendents from Lancaster and Lebanon Counties out of IU No. 13, who are the guests of the Lancaster County delegation. They are seated in the balcony.

## MEMBER'S PRESENCE RECORDED

The SPEAKER. Without objection, the Chair will add to the master roll call the gentleman from Allegheny, Mr. Cowell.

## FILMING PERMISSION

The SPEAKER. Prior to taking up the amendment, the Chair would like to inform the House that it has granted permission to Joe Sanks from WGAL-TV to photograph the proceedings of the House for the next 10 minutes.

## CONSIDERATION OF HB 105 CONTINUED

The SPEAKER. On the amendment, the Chair recognizes the gentleman from Dauphin County, Mr. Piccola.

Mr. PICCOLA. Thank you, Mr. Speaker.

I rise in support of the Freind amendment.

Mr. Lloyd has thrown a lot of what I would call a smoke-screen at us and scare tactics about windfall profits for insur-

ance companies which I do not think have a whole lot of basis in fact. But we can cut through all of that, Mr. Speaker, right to the heart of this issue, and it comes down to whom you place your faith in. Mr. Lloyd places his faith in big government. Mr. Freind places his faith in freedom. Mr. Freind is espousing a free market on this issue. Mr. Lloyd would eliminate markets.

Now, we know how prices are cut; they are cut through the market, Mr. Speaker. We do not want to artificially impose government prices on this product, and in fact, there is only going to be one product available under Mr. Lloyd's plan. Mr. Freind provides us with a variety for this product to be offered.

Mr. Freind offers freedom for the consumer, because he offers choices. Mr. Lloyd would have us buy either \$1 million in coverage or nothing at all. Mr. Freind permits us to purchase what we are interested in buying, what we feel we need, and what we can afford.

Mr. Freind provides for the payment of the unfunded liability and provides for freedom from fear for those CAT Fund recipients out there who are currently collecting benefits and are not sure exactly where their benefits are going to come from. Mr. Lloyd puts his faith in a government report, probably in some new tax that is going to have to be enacted somewhere down the line, as he previously proposed.

Mr. Freind believes in price competition, freedom for the companies to offer the product that they have at the lowest possible price. Mr. Lloyd would have that price imposed by government.

Mr. Speaker, Mr. Lloyd proposed this pooling concept in the last session. It did not pass then; I do not think it is going to pass now. His proposal is the first step in pooling the entire insurance industry in this State and having government set the prices, not merely regulate the prices but set the prices, and for having government get back into the insurance industry, which is what this battle over the CAT Fund was all about in the first place.

Let us not go in that direction, Mr. Speaker. Let us go in the direction of freedom and free market, and vote for the Freind amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Berks County, Mr. Gallen.

Mr. GALLEN. Mr. Speaker, would the gentleman, Mr. Lloyd, stand for interrogation?

The SPEAKER. The question is, will Mr. Lloyd stand for interrogation? The gentleman indicates he will, and Mr. Gallen may proceed.

Mr. GALLEN. Thank you, Mr. Speaker.

Apparently Mr. Lloyd has spoken to actuaries and so on with regard to what this rate should be. Is that not correct, Mr. Speaker?

Mr. LLOYD. I have reviewed the recommendations of the actuary for Tillinghast. We have the actuary's report, and we have his testimony before the CAT Fund Board. That is correct, Mr. Speaker.

Mr. GALLEN. All right. Now, I think the major question is, how many Pennsylvania motorists will participate in the CAT Fund?

Mr. LLOYD. According to the testimony of the actuary, that does not matter, because as you are reducing the number of people who purchase the coverage, you reduce the number of people who are potential beneficiaries, and that should not affect the price, according to the testimony of the actuary at the February 1, 1988, hearing of the CAT Fund Board.

Mr. GALLEN. In other words, Mr. Speaker, if only three people participate in the CAT Fund, you are going to have a solid \$28 rate. Is that correct?

Mr. LLOYD. As long as the figure which is set is actuarially sound, how many people participate, according to the actuary, will not matter. If you got down to as few as 20 people across the State, would that matter? Probably it would. But I think that we have seen, based on an article in the Harrisburg Patriot about the phone calls that people have made to their Erie agents, that the amount of participation is going to be a whole lot more than 20 people across the State, and of course, one way we can make sure that they do not participate, Mr. Speaker, is to charge them more than we need to.

Mr. GALLEN. Thank you.

That is the end of the interrogation, Mr. Speaker. I would like to address the House.

The SPEAKER. The Chair indicates that the gentleman is in order and may proceed.

Mr. GALLEN. Mr. Speaker, knowing just a little bit about the insurance business, I am aware of the fact that people do not like deductibles. They do not like \$100 deductibles, they do not like \$250 deductibles, and they really disdain \$500 deductibles.

Mr. Speaker, you are talking about selling a package of accident insurance to people with a \$100,000 deductible. I contend, Mr. Speaker, that nobody, or very, very few people, will participate in anything that has a \$100,000 deductible. They are going to be bankrupt before they get there. It is just ridiculous.

Many people in this Commonwealth have major med plans, such as the members of this House have, under which you are covered for not only an accident but an illness or anything else with no deductible. We will not participate in something that has a \$100,000 deductible, and it is my contention that Mr. Lloyd's numbers— And he can tell me that numbers do not matter, participation does not matter. That is entirely wrong. That is entirely contrary to any concept of insurance. You have to have numbers. You have got to have a lot of participation for any insurance plan to work, and it is surprising to me that any company is going to offer this coverage at \$52 per car because of the total lack of participation they are going to get in a plan like this.

You know, we went from the Big Brother theory where we were going to make everybody in the Commonwealth of Pennsylvania buy insurance to protect themselves with the CAT Fund with a \$100,000 deductible. Now Big Brother is saying, okay, you do not have to buy it, everybody out there,

but you insurance companies, you have got to pool your resources and offer it at an artificial rate. It just does not make sense, and it is contrary to every concept of insurance.

I support the Freind amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Bucks, Mr. Reinard.

Mr. REINARD. Thank you, Mr. Speaker.

Mr. Speaker, a few moments ago we heard the clear explanation by Mr. Lloyd over what his bill does and how he addresses the CAT Fund. We also heard the complicated approach by Mr. Freind of letting competition takes its course.

I am here to tell you that I represent, as does Mr. Freind, as do a lot of members on the Republican side of the House Insurance Committee, the embattled, troubled insurance area of the southeast. Maybe if we came from areas where Mr. Lloyd and many other members of this House come from, we would not even be discussing as ardently the concern we have over Mr. Lloyd's approach in this matter. But this is just the beginning. This is just the catastrophic coverage.

We want to do something about insurance rates. There is a lot we can address. There are a lot of areas we can look into. There are a lot of significant things that can happen to make the rates in Pennsylvania go down and especially the rates in the southeast. But the approach by Mr. Lloyd, as easy as he explained it to this House and as easy to understand as it was, is clearly not the answer. The Insurance Department does have and is required to review rates each year filed based on losses, and to my knowledge, Commissioner Foster has stated over the last 2 years that the losses incurred are real.

So if we are going to address the problem, I think Mr. Lloyd's approach is incorrect. I believe Mr. Freind's competitive approach is right. If we want to have insurance be competitive in this State, there is only one way.

We can also look to New Jersey as a perfect example of what happens when we have government regulation and overburdening with a JUA (joint underwriting authority) that is \$2 billion in debt and growing and cars that are being surcharged \$178 a year.

For these and many other reasons, I would say and encourage the members to vote for the Freind amendment. Thank you.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the lady from Lehigh, Ms. Ritter.

Ms. RITTER. Thank you, Mr. Speaker.

I have a lot of respect for the gentleman, Mr. Piccola, but I am still having a lot of trouble believing that he actually wants us to be convinced that the gentleman, Mr. Freind, is in favor of freedom of choice and freedom from governmental intrusion.

I want to say, Mr. Speaker, that this amendment is clearly to the benefit of the insurance companies and to stick it to the consumers, and therefore, I urge a negative vote.

The SPEAKER. The Chair thanks the lady.

On the amendment, the Chair recognizes the gentleman from Allegheny, Mr. Michlovic.

Mr. MICHLOVIC. Thank you, Mr. Speaker.

Mr. Speaker, this amendment really goes to the heart of the bill, and that heart of the bill is the pooling mechanism that allows the insurance companies to broaden their risk over the entire population of the insured, voluntary insured across the Commonwealth, and therefore, get a larger pot of money so that they can take care of each of the catastrophic claims as they arise.

The heart of the bill is that discount on the loss reserve fund. That discount gives the advantage to the consumer of government involvement in this process. We are saying in this legislation that with the pooling mechanism, the insurance companies can pool their wealth in this coverage and actually give reduced rates. Instead of taking all of those rates out in the premiums at the early stages of the collection process, they could spread it out over the lifetime.

So actually, this amendment takes away the consumer features of the pooling reserve and the features that we had an advantage in in the CAT Fund. So many of us were disturbed about the CAT Fund and how the system worked, that it was a separate bill. The voters were upset; our constituents were upset. But very few of us can argue that the insurance companies can match that \$24, or as Bill Lloyd is saying today, the \$28.

The \$28, by the way, is different from the \$24, because we are allowing a couple of dollars of profit for the agents. We want those insurance agents to go out and sell this coverage. We want them offering this to their clients, because the more they offer it, the broader the base is on the coverage; the more they offer it, the more people who will be covered for catastrophic kinds of accidents.

The Freind amendment has certainly got to be loved by the big insurance companies. They love that amendment, because it gives them a competitive advantage over the smaller companies. You have already seen in the rate filings between the larger companies and the small companies, the larger companies are coming in at around \$55, \$60, \$70; the smaller companies have to go into the hundreds - \$130, I believe, was one of the first filings. The big companies want to take advantage of this opportunity to pull in even more of the coverage across the State. They love this amendment.

For that reason I think that we ought to be wary of supporting it, and I ask your opposition to the Freind amendment. Thank you.

The SPEAKER. The Chair thanks the gentleman.

On the amendment, the Chair recognizes the gentleman from Cumberland County, Mr. Mowery.

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

I would like to rise in support of the Freind amendment, and I would like to just share a few of the very basics that I think we should be concerned about here today as we consider a very important coverage for our constituency who own automobiles, who drive automobiles, and what we as the State can provide and what the concerns are that we have in going to a State-funded pool.

Mr. Speaker, one of the things that has made our country so great is competition. Now, one of the things that I would like for you to think about for just a moment, because I think we are all concerned about the constituency and how they can best afford to buy this type of coverage: When you and I, who are independent business people, go into competition with government, it usually has not worked out to the benefit of the consumer. Government has very big clout. Government today is saying to the insurance industry that, yes, you can get in and you can insure, but you are going to have to compete against a \$28 rate that we have, to the best of our knowledge, decided is the rate we should now charge.

Mr. Speaker, not too many years ago we were here in the House and the industry in the background said, it is going to cost \$35 to \$40-plus to provide this type of coverage, and we in our wisdom as government and as legislators got into the insurance business and said, no, industry, you are going to gouge the public; we are going to do it for you for \$5. Now, I do not think that is what allowed us as a State to have economically recovered to be one of the best States in the area of manufacturing, and even though we had so many losses of the coal industry and steel industry, we have recovered because of the business community in Pennsylvania having an atmosphere in which to compete.

I share with you the concerns that we all have, but I only share with you the fact of let us not get back into the insurance business, which we do not have a very good record in and which is going to do nothing but bring us back again in a few years. And who is going to be responsible? Now at least we can blame the insurance industry for their bad rates. Why should we put ourselves in a position as government to be blamed for, once again, not making the right decisions?

Representative Lloyd, I am sure, has very good intentions with his approach, but I would just like to share with you that one of the things that he said is so important in his particular bill relates to the discounting of premiums, stating that his bill requires that insurance companies that earn investment income will in turn use it to reduce the rates. Mr. Speaker, the life insurance industry, the property and casualty industry, the health insurance industry for years have been using their investment income to discount rates in Pennsylvania and nationally in this country. Those who have said in the past or insinuated that the insurance industry takes your premium dollar, invests it, and takes all that money for themselves are absolutely not telling you the facts of how the insurance industry operates in today's marketplace.

Competition in Pennsylvania today: If we open it up and have a true competitive system and open it up as the amendment was placed in committee to allow for all health insurance carriers licensed in this State to compete and to provide a CAT Fund, not just the automobile industry and the automobile carriers but to allow everybody to be involved in a fair marketplace with no government intervention, I am sure you are going to see very competitive rates for the benefit of our constituency.

I would just like to, I guess, sum up what has been said by so many here today, and without taking any more of our time, that if free competition can operate in a free enterprise system and the universe of competition is large enough to allow for competition among companies, I think the bottom line is that you and I will finally say, we are out of the business finally; give it to the free enterprise system and let the people in Pennsylvania choose and pick and decide what type and how much coverage they need to supplement their already, in many cases, very sizable major medical policies of a \$1-million cap.

I ask you to support the Freind amendment, and I think that we can go on to bigger things in Pennsylvania than trying to enter and stay in the insurance business. Thank you, Mr. Speaker.

## WELCOME

The SPEAKER. The Chair again pauses in the deliberations of the House to announce that Pete Cogan, director of the Children's Aid Society of Montgomery County, is a guest of the House today and the guest specially of the Montgomery County delegation.

## ANNOUNCEMENT BY SPEAKER

The SPEAKER. For the information of members who may be interested, there is a blood pressure screening taking place at the top of the rotunda steps today, and if the members are interested, it takes about 5 minutes.

## CONSIDERATION OF HB 105 CONTINUED

The SPEAKER. The Chair recognizes the gentleman from Lehigh County, Mr. Snyder.

Mr. D. W. SNYDER. Thank you, Mr. Speaker.

Just very briefly, our discussion today has not dealt with one of the issues, and that is availability of car insurance.

Under the Lloyd proposal, Mr. Speaker, I think this is going to further aggravate the availability of automobile insurance for many regions of our State. This should not be a political partisan issue, because people on both sides of the aisle here today have constituents who are facing difficulties right now. We cannot force automobile insurance companies to take a loss and expect them to continue to stay in business in Pennsylvania.

What we will see, Mr. Speaker, is either a shifting of the losses from the Catastrophic Trust Fund to the other premiums of automobile insurance, further impacting on our ability to purchase insurance, or automobile insurance companies deciding not to continue to serve the Commonwealth of Pennsylvania's residents in this line of business. I think that Representative Freind's approach would allow both competition and availability to improve for the benefit of our constituents. Thank you, Mr. Speaker.

The SPEAKER. The Chair at this time recognizes the gentleman from Indiana County, Representative Wass.

Mr. WASS. Thank you, Mr. Speaker.

Mr. Speaker, may I interrogate the maker of the amendment?

The SPEAKER. The question is, will the gentleman, Mr. Freind, stand for interrogation? He indicates he will. Mr. Wass may proceed.

Mr. WASS. Thank you, Mr. Speaker.

Mr. Speaker, I want to go to a specific part of the amendment or the law. I bought my CAT Fund sticker in November. I paid \$8 for it, and in some type of verbal discussion I was told that my coverage would last until the following November. Under your amendment, sir, what happens to my CAT Fund unmet, my \$8, on March 1?

Mr. FREIND. Well, Mr. Speaker, Mr. Lloyd and I are both trying to do the same thing. We are trying to say that you are covered from November to March 1 for any accident that occurs up to March 1. You are not covered for any injuries arising from an accident after March 1. Now, what we are also doing is providing you a prorated refund from March 1 of 1989 to November.

Now, what we are both trying to do—and to be perfectly honest, I do not think either one of us will be successful here—we are trying to preclude someone from coming back and holding us liable for injuries after March 1. The way we do it is putting in good waiver release language on the check and making it also clear in the bill that the coverage stops March 1.

However, Mr. Speaker, to be perfectly candid, the odds are, on either the Lloyd or the Freind amendment, even if we make the refunds, if someone is injured in May or June, they come back for CAT coverage and are denied and go into court, they could very well win. We are taking slightly different approaches to attempt to do the same thing - to draw the line to injuries sustained on or before March 1.

Mr. WASS. Thank you, Mr. Speaker.

One additional question for the record now: You are talking about the accident must happen before March 1; the accident.

Mr. FREIND. That is right. Obviously, if you were injured in February, you would still be covered under the Governor's proposal, under the Lloyd proposal, and under our amendment.

Mr. WASS. Thank you very much. That is all I have, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair now recognizes the gentleman from Montgomery County, Mr. Saurman, on the amendment.

Mr. SAURMAN. Thank you, Mr. Speaker.

Mr. Speaker, I rise to support the Freind amendment. Without it, I think we have a very serious problem in the administration of this fund just as we have had by setting up a separate bureaucracy. Each of the insuring companies will indeed collect that fund or the premium for it, but when there is a claim, it will be turned over to the pool to pay. Now, I am not sure who will determine whether or not the full amount will be paid or whether in fact there is liability and how that

amount will be determined, but if, for instance, the pool were to do that and it became a negative impact, then the company that originally issued that would have no control over that part of their business. Therefore, they would suffer from a bad reputation.

The very process of changing or turning over this money to another layer of bureaucracy adds an additional cost. Somebody else is going to have to do the work that the insurance company would normally do if they in fact kept that claim within their house, and therefore, that is going to escalate the cost further.

A bit ago a previous speaker indicated that the larger companies could offer a lesser rate than the smaller companies, and it seems to me that somehow we are trying to level out all of the companies that offer insurance within the State and somehow equalize them rather than allowing those companies, because of their size, because of their efficiency, because of their in-house staff, because of their ability to handle these claims, to do it at a lesser rate, and what we are and should be looking for is the least expensive way to provide this service to our constituency.

Mr. Speaker, I think the Freind amendment does that and would urge your support. Thank you.

The SPEAKER. The Chair thanks the gentleman.

## FILMING PERMISSION

The SPEAKER. The Chair would like to announce to the members for the members' information that Public Television has chosen to use their privilege today to televise on the floor of the House. They are setting up cameras, and their access to the House floor under the House rules is unlimited. So for a period of time, the gentleman immediately in front of the Speaker will be filming the proceedings on the floor of the House under the rules of the House.

## CONSIDERATION OF HB 105 CONTINUED

The SPEAKER. The Chair recognizes the majority leader.

Mr. O'DONNELL. Thank you, Mr. Speaker.

This is an extremely long and complex amendment on a very difficult and complex subject. You could argue that this amendment requires a fiscal note, and perhaps a rigid adherence to the rules would have required somebody to object on that basis, but I think it is important not to prolong the debate on this subject. Accordingly, I would like to be very, very brief.

I think the debate boils down to one fundamental issue, and it is philosophical, as I think the gentleman has argued. If you believe that the insurance companies in this State will give you a rate for this coverage which your constituents will find suitable, then you should vote for the Freind amendment. You should probably also seek psychiatric help, but you should definitely vote for the Freind amendment.

If the amendment is defeated and the Lloyd bill is passed, you know how much it costs and you know you have a mechanism in place that for the first time makes insurance in a very



needed category available at a price people can afford in a way that is actuarially sound. So I would urge the defeat of the amendment.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Somerset, Mr. Lloyd, for the second time.

Mr. LLOYD. Thank you, Mr. Speaker.

Mr. Speaker, I am going to try to respond to the numerous things that have been mentioned in the last 45 minutes, and I am going to probably be jumping around because I would like to respond to all of them.

First, it has been suggested that somehow this bill is a return to a State-run, Big Brother, antifreedom system. I suggest that the people who think that way might want to turn to page 6 of the bill and start reading in line 22 where it identifies who it is who is responsible for organizing the pool and operating the pool. This, unlike the CAT Fund, would be an industry-run pool.

Secondly, the suggestion has somehow been made or alluded to that people are going to not have a choice. Anybody who can show me in this bill where it says that a motorist must buy this coverage is, I think, in need of that same psychiatrist—and maybe a reading teacher—that Mr. O'Donnell was talking about. The coverage under this bill is optional. If people do not want to buy it, they do not have to buy it.

The suggestion has been made that \$28 is going to be the rate forever. I wish that were true, but if you read the bill, what it says is that that is an interim rate until such time as the pool is organized and the pool submits its request for a rate and that rate request is adjudicated, and it would be in effect as an interim rate only until such time as the next policy renewal after the pool rate was set, so it is not going to be in effect forever.

I think it is a good rate, and I think it would be in effect for a year, but if the pool run by the private industry can demonstrate in rate hearings before the Insurance Department that some other number is right, that is their right under this bill. If the Insurance Commissioner rejects an actuarially sound proposal made by the pool, the remedy for the insurance industry-run pool is exactly the same remedy which is available to any of the insurance companies which have filed for catastrophic coverage in the last month and have had rates approved at a lesser amount than they asked for. If they think that is not actuarially sound, they go to Commonwealth Court.

It has also been said that somehow this price is imposed by government. We set an interim rate so that we can get this program up and running and so that we have insurance available to people, but once we have the ratemaking process start, the bill requires that we follow the normal ratemaking procedure.

It was suggested that somehow people will not buy this because it is a \$100,000 deductible. Look at the Freind amendment. It does not propose to provide any coverage until people have incurred \$100,000 of medical expenses, exactly

what the bill has done. And look at the Harrisburg Patriot article from Sunday which talks about the experiences of the Erie Insurance agents in this area and the large number of phone calls they have been receiving from people who want to understand what this CAT Fund replacement is all about. Ninety percent of the people who call say they want to buy it.

Now, it has been suggested that somehow competition is lacking here. Once again I suggest that you read the bill. This bill says that any insurance company in this State may compete with the pool as long as it wants to charge no more than the pool rate. If there is an insurance company in this State which can sell this insurance for less than the pool, this bill lets them do that.

It has been suggested that the New Jersey pool failed and therefore this must fail. That is nonsense. That is an apples-and-oranges comparison. The New Jersey pool deals with all kinds of car insurance, not just catastrophic. The New Jersey pool has artificially suppressed certain rates. This bill says that the rate must be actuarially sound, and if it is not, the appeal is to Commonwealth Court, just like it is in any other insurance case.

It has been suggested that somehow we are going to run up a huge debt and that that debt is going to be visited back on the insurance companies. In fact, this bill says, in addition to the fact that the rate must be actuarially sound, that the companies cannot be forced to raise their other rates to subsidize the pool.

It has been suggested that we do not need this coverage because health insurance is adequate. Now, in the first place, the amendment that the gentleman talked about, allowing the health insurers to compete, is in the bill. Secondly, people's health insurance policies almost without exception do not provide the same coverage which has been available under the old CAT Fund and which would be available under either my amendment in the bill or under Mr. Freind's approach, because most of the insurance plans for health coverage do not provide rehabilitation expenses, and in fact, we got some quotes out of the newspapers quoting officials from Blue Cross/Blue Shield saying exactly that. It is also the case that many people's health insurance coverage requires copayments; it has deductibles. And all you have to do is talk to some of your constituents who have been CAT Fund recipients to know what Blue Cross/Blue Shield and the other health care plans do and do not provide. But the fact of the matter is that there is a product out there that some people want to buy, and we ought to make it available to them at a reasonable price.

The suggestion has been made that somehow we are going to be able to have a free ride if we just let the health insurance pick it up. One thing we ought to stop to recognize: If we do not pass this bill and if we do not have an affordable alternative coverage available for those who want it, those people who have health care coverage, many of whom have that paid for by their employers, are going to fall back on that private health care plan for whatever that private plan will cover, and that is going to push up the cost of that private health care



insurance. And who is going to pay for that? It is going to be paid for in large part by the business community of this State, and it is interesting to note that some of the people who are always the first to defend the business community are missing the potential: we got a railroad train coming down the track toward the business community and the question of their health insurance costs if we do not pass an affordable CAT Fund replacement, and if we have coverage that people think is too expensive and they do not buy, that is going to push up the cost of your health care coverage.

It was suggested that somehow the insurance companies give us the credit for all or for a significant amount of the investment earnings. The estimate I received from the Insurance Department was that they give us about a 2-percent earning, and most people's investments yield a lot more than that.

This question, whom do you want to trust? Well, do not trust me. Read the testimony of the actuary before the CAT Fund Board. Read the letter I have here from CIGNA, which is a large insurance company, to the Insurance Commissioner, March 5, 1986, asking to be able to use discounting of the loss reserves for the purpose of providing workers' compensation coverage. Read the letter from CIGNA to the Insurance Commissioner of March 5, which says that CIGNA believes that that is an appropriate thing to do for long-tail coverage and to recognize the proper financial situation. Read the letter of February 14, 1986, from CIGNA, and I quote from that letter: "CIGNA believes the significant changes that have occurred in the mix of property and casualty insurance business and in the economic environment in which insurers operate compel the use"—"compel," I underscore—"the use of discounted loss reserves to reflect economic realities." And a later point in the letter: "Current market conditions underline the need for the appropriate use of loss reserve discounting for long-tail lines of insurance."

Or read the letter of April 20, 1988, from PHICO (Pennsylvania Hospital Insurance Company), to the Insurance Commissioner, in which PHICO endorses discounting of the loss reserves for medical malpractice insurance. Or read the letter to the Insurance Department from the Pennsylvania Medical Society Liability Insurance Company of May 11, 1988, and I quote: "We believe very strongly that companies should be permitted to discount both the unallocated and allocated portions of the loss adjustment expense reserve." Or read the opinion of Peat Marwick, a reputable accounting firm, to the Pennsylvania Medical Society Liability Insurance Company in 1984, in which the accountant says, "Given a long payment period, investment income earned on loss reserves would be substantial. If claim liabilities were known with certainty there would be no reason for not discounting reserves. The issue is not whether or not to discount, but what portion of the future investment income on the undiscounted portion of the reserve is needed to provide a sufficient safety margin to cover possible future adverse reserve developments." And finally on that score, read the opinion of Main Hurdman, the accountants in the Harrisburg office, who said basically the same thing to the medical liability malpractice people in 1984.

Mr. Speaker, what we are talking about here is not some radical, unrecognized, unproven concept. The issue is, do we want investment income to be used to help hold down the price of this coverage so that more people will buy it, so that health insurance costs will not go up as much, and so that we do not ultimately have people thrown onto medical assistance? One can argue about \$28 and say it should be \$38 or \$35 or what have you, but to come with the approach that we should simply make the insurance available and do nothing other than to rely on competition to somehow put a ceiling on unreasonable rates, in my opinion, we know exactly what is going to happen, because we have seen the filings. We know nobody is going to be below \$45. We know some companies are going to propose to charge over \$200, and I do not know about you, but I do not think that is justified, and I do not think I can go back home and defend that.

I urge a "no" vote on the Freind amendment.

The SPEAKER. The Chair thanks the gentleman.

### WELCOME

The SPEAKER. The Speaker announces that there are guests from the Westmoreland County Children's Bureau in the balcony - George Macesic, Calvin Kulik, Sherry Johnson, Gib Stemmler, and Wallie Tobin. They are the guests of Representative Kukovich and the Westmoreland County delegation.

### CONSIDERATION OF HB 105 CONTINUED

The SPEAKER. On the amendment, the Chair recognizes the gentleman from Cumberland County, Mr. Mowery, for the second time.

Mr. MOWERY. Thank you, Mr. Speaker.

I would like to interrogate Representative Lloyd, please.

The SPEAKER. The question is, will Mr. Lloyd consent to interrogation? He indicates that he will, and Mr. Mowery may proceed.

Mr. MOWERY. Mr. Speaker, on the proposed voluntary CAT Fund, who collects the premiums for that \$28 that goes ultimately into the fund?

Mr. LLOYD. This legislation does not establish a proposed voluntary CAT Fund. It establishes an industry-run pool. The answer to the question of who collects the money for the industry-run pool is the insurance companies. Some companies charge that, have their agents collect it. Some companies send a bill out in the mail, and the customer sends the check directly to the insurance company.

Mr. MOWERY. Now, how much of that \$28 does your bill require that the insurance company put into the pool?

Mr. LLOYD. The pool must be actuarially sound. The insurance companies will have to put at least \$24, because that is the actuary's opinion as to what is actuarially sound.

Mr. MOWERY. So the \$4 then is to pay for the acquisition and the expense by the insurance industry of not only marketing the product but also bringing it in-house, collecting the moneys and so forth, and then putting it in the pool. Is that correct - for \$4?

Mr. LLOYD. That is correct.

If the insurance industry can demonstrate in its rate filing, which would be the first filing it would make under the pool, that it needs additional money to carry those administrative costs, it would have the opportunity to request those to be reflected in the rates.

Mr. MOWERY. And who would approve that?

Mr. LLOYD. Those rates would be approved by the Insurance Commissioner exactly the same way as other insurance rates for car insurance in this State are approved.

Mr. MOWERY. Now, once the money is in the pool, may I ask then who pays the claims and does all the cost containment and the review and so forth? Who is responsible for that? Are you going to have a third-party administrator like you now have?

Mr. LLOYD. That would be up to the insurance industry-run pool. This legislation does not attempt to tie their hands. They can pick what is the most cost effective from their point of view. If they believe that since these people have already started out with a claim with their own insurance company and it is simpler just to carry it over and let their own insurance company handle the paperwork, they can do that. If they believe that it would be more cost effective to operate through the third party that you are talking about, they can propose that as well.

Mr. MOWERY. In other words, what you are saying is that there is a possibility that the insurance industry would be asked down the road to administer the claim payments, to do all the necessary paperwork for the continuing claim of those who are filing a claim with the pool. Is that correct?

Mr. LLOYD. What I am saying is that the bill says that the insurance industry-run pool is to make its proposal.

Mr. MOWERY. Okay. All right. Now, on that basis, Mr. Speaker, may I ask as to whether or not you perceive that you have established a cost and a charge for the insurance industry on the one side that is mandated to them, and then on the other side, you are coming back and saying, now, if you want to compete with what we have mandated for you to do in the voluntary pool, if you want to, you can come out and you can charge another rate and you can be in competition, which we are already requiring you to do under the pool system. I do not understand how that is free enterprise in any way.

Mr. LLOYD. I said that under this legislation a company which wants to compete with the pool may compete with the pool as long as it does not charge above the pool price. If you would feel better by amending that to say they can charge whatever they want and compete with the pool, I would agree to that amendment.

Mr. MOWERY. Thank you.

May I make a statement, Mr. Speaker?

The SPEAKER. The gentleman indicates that his interrogation is at an end and is in order to make further comments on the amendment.

Mr. MOWERY. What I am trying to understand is that when we do it the way that obviously is being proposed— Let us take, for an example, our professionals. Let us take a

doctor; let us take an attorney. Let us suppose that the State comes back and says that we want to have a set rate for all legal fees in Pennsylvania, as an example, and so as a result, we are going to create a pool. Now, you can call it whatever you want to call it or whatever kind of a pool, but it is a pool—a cesspool, maybe—but the point is that on that assumption then we would establish the rate for a specific type of legal-fee charge, and all attorneys in Pennsylvania would have to put that money into this pool. That fee would in effect be distributed to whomever, and the services would be provided by the pool, as you outlined. Then on the other side, you would say to the attorney, now, if you want to be in business and in practice for yourself, that is okay, and you can charge whatever you want on the outside. Well, who in the world would ever go to the outside to the higher fee if you have mandated and controlled a fee for a particular service at a State level?

I do not understand where your— You know, it is an unfair competition situation. All you are saying is, in the guise of saying that it is voluntary, you are coming back and you are in effect still saying that the outside consumer has really only one choice, because there is no way of competing, and the same people who you are saying are running the fund and collecting your money and putting it in is the same industry you are coming back and saying, you can be competitive.

I am sorry, Mr. Speaker, but I do not really feel, regardless of the letters you have read and all the conversation that we have had at this point, that really it is being fair to our constituency or to the insurance industry, whom you are asking to do all your work for you under this new system and then go in competition with itself.

I ask for you to support the Freind amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

### LEAVES OF ABSENCE CANCELED

The SPEAKER. The Chair acknowledges the presence of Representative McHale and Representative Semmel, both of Lehigh County, on the floor of the House, and without objection, they will be removed from the leaves of absence formerly granted. The Chair hears no objection.

### CONSIDERATION OF HB 105 CONTINUED

The SPEAKER. On the question of the amendment, the Chair recognizes for the second time the gentleman from Delaware, Mr. Freind.

Mr. FREIND. Thank you, Mr. Speaker.

I want to paraphrase the words of the immortal sage from Dauphin County, Mr. Piccola, who a few moments ago immortalized me on the floor of this House by putting me foursquare on the side of freedom, which I deeply appreciate. In his glowing remarks, Mr. Piccola asked the rhetorical question, in whom do we place our faith - Mr. Lloyd or myself? Let me shift that around a little bit. In whom do we place our faith - Mr. Lloyd or Mr. Lloyd's Insurance Commissioner?

Because what in effect we have right now is a 180. Mr. Lloyd says, absolutely you can do it for \$28. The Insurance Commissioner, who is mandated by law never to approve a rate if she finds it excessive, has already said, it is okay for Erie for \$45 and it is okay for Harleysville for \$52. Now, how do we square these differences? Apparently there is some magic in discounting the reserves, but let me tell you what the problem is for this. If you look at the wording in this bill, that \$28 rate is probably going to stay for at least 2 years. If in effect that is inefficient and insufficient, as the Commissioner has obviously indicated that it is, we are going to have a problem again with an unfunded liability.

Now, the lady, Ms. Ritter, in her cogent and encompassing remarks indicated that she was against the amendment because it stuck it to the consumer. I submit that she is 180 degrees wrong. My purpose in this amendment is not to guard the insurance industry, it is to protect the consumer. We do not want to be faced with the problem 2 or 3 years down the road that we are facing right now, and we are facing right now an unfunded liability. And if there is an unfunded liability in that pool, guess where they are going to come to make up that unfunded liability. You got it, sports fans; they are going to come right back to this legislature.

Let us look a little bit at flexibility. Maybe I am naive, but I believe that our constituents have intelligence and free will and are competent enough to pick and choose the type of coverage which they want.

Let us look at our coverage as members. We have a good major medical. Many of us do not need and do not want an additional \$1 million. Some of us, for example, might want an additional \$100,000 or \$200,000.

Under the Lloyd proposal, you cannot get it. It is all or it is nothing. Take \$1 million or take nothing. Under our amendment, you can pick and choose. You can take \$100,000 or \$200,000. Under the Lloyd proposal, you are stuck with a statewide rate which does not reflect territorial differences. Under ours, the rates can float with respect to the territory - important to you in the rural area. When State Farm submitted their filing, which was rejected by the Commissioner, they went from a low of \$15 in Elk County. You cannot recognize that savings right now because you are stuck arbitrarily tinkering around with a \$28 figure. Have we not learned anything from the experience in the past, and that lesson ought to be that whenever we intervene and begin to tinker arbitrarily, the final result has to be disaster.

Mr. Lloyd indicated erroneously that this amendment mandates us to pay the unfunded liability out of the General Fund. It does not do that at all, although I think that is what we should do. All it requires is the Budget Secretary to report back to us on a plan for funding it out of the General Fund.

Now, we have another pragmatic problem. I have indicated before, two insurance companies have filed and been approved - Erie and Harleysville. Erie is already selling their policies, and they have received a large number of takers. If we pass HB 105 in the state it is right now without my amendment, we have a conflict in the law. On the one hand, Mr.

Lloyd's Insurance Commissioner has already approved two rates. Money is being exchanged right now and policies are being bought. On the other hand, this bill says it has to be \$28. Can Erie keep that amount of money, the \$17? Is that unjust enrichment? Is there a mandatory requirement that they turn it back? There is no provision for that whatsoever.

Finally, what our language does is recognize, at the suggestion of Mr. Godshall, that we have some insurance companies that are small which may not be able to offer these on their own or it might be a hardship. So what our language says is that nothing shall prohibit two or more insurance companies, if they so desire, to voluntarily enter into a pooling arrangement.

This amendment, Mr. Speaker, is designed to give our constituents the freedom to shop around and to make their own choice. It is a good amendment. I hope it passes. And finally and most importantly, happy Valentine's Day, Karen. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

**WELCOME**

The SPEAKER. The Chair welcomes to the hall of the House—this must be visitors' day—Dr. Bob Arbuckle, director of the Penn State campus at New Kensington, Pennsylvania, and several of the board members: Guy Grazioso, Hilary Holste, Don Miller, and Dr. Manny Luthra. They are the guests of Representative Van Horne. The guests are in the balcony.

**CONSIDERATION OF HB 105 CONTINUED**

The SPEAKER. The Chair recognizes the gentleman from Berks County, Mr. Gallen.

Mr. GALLEN. Thank you, Mr. Speaker.

Not too long ago when the CAT Fund was in trouble and the rate was to go from \$8 to \$24, there were members of this body or the other body who introduced a bill which would have kept the rate at \$8, despite the fact that all indicators showed that it should go to \$24. But nonetheless, certain legislators introduced legislation to keep it at \$8.

Mr. Speaker, that is pandering. That is pandering, pure and simple. Now, there are people in this House who are going to vote against the Freind amendment, and they have not learned their lesson with the CAT Fund. They are going to pander once again. You have got to let the market take its course in this situation, and I strongly urge you to support the Freind amendment. Thank you, Mr. Speaker.

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

The following roll call was recorded:

**YEAS—96**

Adolph	Distler	Jadlowiec	Reinard
Allen	Dorr	Johnson	Robbins
Angstadt	Durham	Kenney	Ryan
Argall	Fairchild	Kondrich	Saurman
Barley	Farmer	Langtry	Scheetz
Black	Fleagle	Lashingier	Schuler

Boyes	Flick	Lee	Semmel
Brandt	Foster	Leh	Serafini
Bunt	Fox	McVerry	Smith, B.
Burd	Freind	Marsico	Smith, S. H.
Burns	Gallen	Merry	Snyder, D. W.
Bush	Gannon	Micozzie	Snyder, G.
Carlson	Geist	Miller	Stairs
Cessar	Gladeck	Moehlmann	Strittmatter
Chadwick	Godshall	Mowery	Taylor, E. Z.
Civera	Gruppo	Nahill	Taylor, J.
Clark, D. F.	Hagarty	Nailor	Telek
Clark, J. H.	Hasay	O'Brien	Vroon
Clymer	Hayes	Perzel	Wass
Cornell	Heckler	Phillips	Weston
Davies	Herman	Piccola	Wilson
Dempsey	Hershey	Pitts	Wogan
Dietrick	Hess	Raymond	Wright, J. L.
Dininni	Jackson	Reber	Wright, R. C.

## NAYS—98

Acosta	Donatucci	Lucyk	Roebuck
Battisto	Evans	McCall	Rudy
Belardi	Freeman	McHale	Rybak
Belfanti	George	McNally	Saloom
Billow	Gigliotti	Maiale	Scrimenti
Bishop	Gruitza	Maine	Staback
Blaum	Haluska	Markosek	Steighner
Bortner	Harper	Mayernik	Stish
Bowley	Hayden	Melio	Stuban
Broujos	Howlett	Michlovic	Tangretti
Caltagirone	Hughes	Morris	Taylor, F.
Cappabianca	Itkin	Mrkonic	Thomas
Carn	James	Murphy	Tigue
Cawley	Jarolin	O'Donnell	Trello
Clark, B. D.	Josephs	Oliver	Trich
Cohen	Kaiser	Petrarca	Van Horne
Colafella	Kasanic	Petrone	Veon
Cole	Kosinski	Pievsky	Wambach
Corrigan	Kukovich	Pistella	Williams
Cowell	LaGrotta	Pressmann	Wozniak
Coy	Laughlin	Preston	Wright, D. R.
DeLuca	Lescovitz	Richardson	Yandrisevits
DeWeese	Levdansky	Rieger	
Daley	Linton	Ritter	Manderino, Speaker
Dombrowski	Lloyd	Robinson	

## NOT VOTING—1

Colaizzo

## EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

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

The SPEAKER. The majority leader has indicated that it is time for lunch. The gentleman is in order.

## RULES COMMITTEE MEETING

The SPEAKER. The Chair recognizes the majority leader for an announcement.

Mr. O'DONNELL. Mr. Speaker, I would like to announce a Rules Committee meeting in the well of the House immediately upon the call of the recess.

## REMARKS ON VOTE

The SPEAKER. The Chair recognizes the gentleman from Washington, Mr. Colaizzo.

Mr. COLAIZZO. My button did not work, and I want to be voted in the negative on amendment A0196 to HB 105.

The SPEAKER. The gentleman, Mr. Colaizzo, indicates that he had a button malfunction on the last vote and wants to be recorded in the negative. The remarks of the gentleman are spread upon the record.

## ANNOUNCEMENT BY MR. RYBAK

The SPEAKER. For what purpose does the gentleman from Northampton, Mr. Rybak, rise?

Mr. RYBAK. To make an announcement.

The SPEAKER. The gentleman is in order, without objection. The Chair hears no objection.

Mr. RYBAK. Thank you, Mr. Speaker.

Mr. Speaker, I want to repeat the announcement of yesterday that on the table are six bills on auto insurance reform. They will remain there until adjournment. Those who wish to get on the bills, I would appreciate it. Thank you very much, Mr. Speaker.

## CONSERVATION COMMITTEE MEETING

The SPEAKER. The Chair recognizes the gentleman from Clearfield, Mr. George, for the purpose of an announcement. Without objection, the gentleman is recognized.

Mr. GEORGE. Mr. Speaker, I would like to call a meeting of the Conservation Committee at the rear of the House upon your call for recess.

The SPEAKER. The gentleman, Mr. George, announces, as chairman of the Conservation Committee, a meeting of the Conservation Committee in the rear of the House upon the declaration of the recess.

## BILL REPORTED AND REREFERRED TO COMMITTEE ON LABOR RELATIONS

HB 167, PN 186

By Rep. RICHARDSON

An Act amending the act of December 8, 1959 (P. L. 1718, No. 632), entitled, as amended, "An act providing for the payment of the salary, medical and hospital expenses of employes of State penal and correctional institutions, State mental hospitals, Youth Development Centers, County Boards of Assistance, and under certain conditions other employes of the Department of Public Welfare, who are injured in the performance of their duties; and providing benefit to their widows and dependents in certain cases," further providing for salary and benefit payments; and making an editorial change.

## HEALTH AND WELFARE.

The SPEAKER. For what purpose does the gentleman from Philadelphia, Mr. Richardson, rise?

Mr. RICHARDSON. A point of parliamentary inquiry, Mr. Speaker.

The SPEAKER. What is the point of parliamentary inquiry, Mr. Richardson?

Mr. RICHARDSON. Mr. Speaker, on that bill we have a notation that that bill is to be rereferred to the Committee on Labor Relations, and I wanted to make sure that that would be clear and not confuse the members of the House how I voted on the bill.

### BILLS REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

**HB 71, PN 78** By Rep. CALTAGIRONE

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further regulating the carrying of loaded firearms in a vehicle; and making a technical change.

JUDICIARY.

**HB 97, PN 104** By Rep. CALTAGIRONE

An Act amending the act of November 22, 1978 (P. L. 1166, No. 274), referred to as the "Pennsylvania Commission on Crime and Delinquency Law," authorizing a crime prevention program; and providing for technical and financial assistance to law enforcement agencies.

JUDICIARY.

**HB 125, PN 136** By Rep. CALTAGIRONE

An Act amending the act of June 11, 1879 (P. L. 147, No. 153), entitled "An act fixing the compensation of persons called to serve as coroner's jurors in this commonwealth," increasing the compensation to be paid to jurors; and providing for mileage payments.

JUDICIARY.

**HB 159, PN 172** By Rep. CALTAGIRONE

An Act amending the act of December 7, 1982 (P. L. 784, No. 225), known as the "Dog Law," further providing for offenses relating to dogs used for law enforcement.

JUDICIARY.

**HB 171, PN 190** By Rep. CALTAGIRONE

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for prostitution and related offenses.

JUDICIARY.

**HB 180, PN 199** By Rep. CALTAGIRONE

An Act amending the act of April 14, 1972 (P. L. 233, No. 64), known as "The Controlled Substance, Drug, Device and Cosmetic Act," further providing for penalties for adulterating drugs with intent to cause bodily harm.

JUDICIARY.

**HB 181, PN 200** By Rep. CALTAGIRONE

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further prohibiting the introduction of dangerous substances into water supply systems.

JUDICIARY.

**HB 227, PN 535 (Amended)**

By Rep. CALTAGIRONE

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, providing for the offense of assault on sports official; and providing penalties.

JUDICIARY.

**HB 251, PN 279**

By Rep. CALTAGIRONE

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, defining the offense of flight to avoid prosecution.

JUDICIARY.

**HB 310, PN 536 (Amended)**

By Rep. CALTAGIRONE

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for mandatory sentencing for convictions for certain drug offenses.

JUDICIARY.

### REMARKS ON VOTES

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Cowell, for the purpose of recording votes.

Mr. COWELL. Thank you, Mr. Speaker.

When voting began this morning, I was delayed at another meeting. I would like to be recorded in the affirmative on amendment 0089 to HB 92, on final passage of HB 92, and on amendment 0218 to HB 105 - affirmative on all three votes. Thank you.

The SPEAKER. The Chair thanks the gentleman.

The remarks of the gentleman will be spread upon the record.

### HOUSE RESOLUTIONS INTRODUCED AND REFERRED

**No. 24**

By Representatives RICHARDSON, DeWEESE, LINTON, ITKIN, O'DONNELL, EVANS, ACOSTA, BISHOP, CARN, HARPER, HUGHES, JAMES, OLIVER, PRESTON, ROBINSON, ROEBUCK, THOMAS, WILLIAMS and R. C. WRIGHT

Committing the House of Representatives to celebration of February 1989 as "African American History Month."

Referred to Committee on RULES, February 14, 1989.

**No. 26**

By Representatives DAVIES, MORRIS, HAYES, KOSINSKI, VROON, LASHINGER, DORR, FREIND, GEIST, DIETTERICK, FLICK, CAWLEY, LLOYD, GRUITZA, CALTAGIRONE, TIGUE, BLAUM, BELFANTI, WILSON, HECKLER, PHILLIPS, HASAY, G. SNYDER, DISTLER, BARLEY, SCHULER, SCHEETZ, JACKSON, JADLOWIEC, MERRY, BLACK, ROBBINS, ANGSTADT, SEMMEL, MOEHLMANN, ARGALL, RUDY and ALLEN

Proclaiming March 1 as Saint David's Day to be observed throughout this Commonwealth.

Referred to Committee on RULES, February 14, 1989.

### RECESS

The SPEAKER. If there are no other announcements, no other comments, this Chair now declares that this House will be in recess until 2 p.m.

### AFTER RECESS

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

### RESOLUTIONS REPORTED FROM COMMITTEE

**HR 18, PN 467** By Rep. O'DONNELL

Memorializing Congress and the President of the United States to take prompt action to extend the steel Voluntary Restraint Arrangements.

RULES.

**HR 24, PN 537** By Rep. O'DONNELL

Committing the House of Representatives to celebration of February 1989 as "African American History Month."

RULES.

**HR 26, 538** By Rep. O'DONNELL

Proclaiming March 1 as Saint David's Day to be observed throughout this Commonwealth.

RULES.

### BILL REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

**HB 139, PN 539 (Amended)**

By Rep. GEORGE

An Act amending the act of July 7, 1980 (P. L. 380, No. 97), known as the "Solid Waste Management Act," further providing for powers and duties of the department; and providing for the beneficial use of reclamation of municipal and residual waste.

CONSERVATION.

### ANNOUNCEMENT BY SPEAKER

The SPEAKER. The Chair would like to announce to the members that we have been receiving at the amendment clerk's desk amendments to House bills and Senate bills that do not have the required eight copies enclosed in the folder. The rules require that eight copies of the amendment be submitted, and we ask all members to please follow the procedure of having eight signed copies—eight signed copies—of the amendment when they are submitted to the amendment clerk.

### WELCOME

The SPEAKER. The Chair welcomes to the hall of the House Andy Pickney and his daughter, Meika, who are the guests of Representative Gordon Linton from Philadelphia.

### CALENDAR CONTINUED

### CONSIDERATION OF HB 105 CONTINUED

On the question recurring,

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

Mr. G. M. SNYDER offered the following amendments No. A0095:

Amend Sec. 8 (Sec. 1798.1), page 8, lines 4 through 16, by striking out "Pursuant to the means established under the plan," in line 4, all of lines 5 through 15, "actuarial soundness of the plan." in line 16 and inserting

Rates shall be promulgated generally in accordance with the act of June 11, 1947 (P.L.538, No.246), known as The Casualty and Surety Rate Regulatory Act.

Amend Sec. 8 (Sec. 1798.1), page 8, lines 18 through 20, by striking out "In establishing a rate," in line 18, all of lines 19 and 20 and inserting

Each rating organization or insurer filing a rate shall make rates for the extraordinary medical expense benefit in conformity with their customary risk and territorial rating classifications to provide for the equitable apportionment of variations in loss costs attributable to the relative frequency and severity of losses.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes, on the amendment, the author of the amendment, the gentleman from York, Representative Snyder.

Mr. G. M. SNYDER. Thank you, Mr. Speaker.

I am offering this amendment, amendment No. A0095, in order to give the consumers of Pennsylvania the opportunity to purchase, if they choose, catastrophic loss insurance at a rate that is commensurate with the frequency of claims and the severity of claims that occur in the territory in which they live and in which they drive their car. This amendment would simply allow automobile insurance companies to use various factors, depending upon the territory in Pennsylvania, to set the cost, the premium, for the CAT Fund replacement insurance.

I should add, this amendment assumes—assumes—that, number one, the frequency of claims in any particular part of Pennsylvania may in fact be random. There may not be a trend regarding one particular area of the Commonwealth. However, this amendment also recognizes that the severity of the claims - in other words, the cost of those claims, the money that must be paid by the insurance companies to cover the medical care of those claimants - is not random in Pennsylvania. In fact, I believe that the cost of medical care varies greatly throughout the Commonwealth, and I believe that this factor should be taken into account when the price of this product—and that is what this is, an insurance product—is set.

In addition, I believe this amendment addresses the issues both of availability and affordability of this type of replacement insurance. If you set the cost too low or the price too low in an area of the Commonwealth where medical costs are relatively high, you are going to have trouble getting this kind of insurance. Your consumers are going to find that this kind of insurance simply is not available, because the seller of this insurance is not going to sell this at a loss. Every time they sell one of these policies, they in effect are going to be losing more money. As far as affordability goes, again, I believe that automobile insurance rates in general and these rates in particular should be based upon the actual cost to the particular consumer as best as we are able to determine. My amendment will allow that to occur.

Finally, I would like to just very briefly mention several statistics that I have compiled regarding this particular amendment. According to information submitted to insurance companies throughout Pennsylvania by the Insurance Department, they have compiled the number of claimants receiving benefits by county as well as the amount of paid claims benefits.

Now, I have taken just as an example the county of Philadelphia and the county of York, and if my mathematics is correct, in the county of Philadelphia, each claimant on average has received \$106,444. By the same token, each claimant in the county of York has received on average claims amounting to \$68,862 - considerably less.

In addition, if you keep in mind that the amount of money paid, the premium paid, is not on the basis of population or on the basis of insured individuals but rather on the basis of automobiles, one policy per automobile, then I have arrived at these figures: In Philadelphia County there are 609,675 registered motor vehicles; in York there are 277,134 registered vehicles. If you take the claims-paid amount furnished by the Insurance Department, this is what you arrive at: For claims paid in Philadelphia, the amount per registered vehicle is \$12.91; for claim dollars paid per vehicle in York County, the amount is \$5.96. I think that is a substantial difference. I think it is a difference that very well may be confirmed as these kinds of statistics are kept in the ensuing years.

I believe each one of us and each of our consumers and our constituents ought to be charged a fair price for this kind of insurance. I think in order to arrive at that fair price, we have got to take into account the differences that exist in Pennsylvania, including, and perhaps most importantly, the amount it costs for the medical care, rehabilitative care, and all those other kinds of covered care.

I respectfully ask for your support for this amendment.

The SPEAKER. The Chair thanks the gentleman.

### WELCOME

The SPEAKER. This afternoon, Harry Steever, Frank Swienckowski, Milan Sokolovich, and Dave Fioravanti are here as the guests of the Representative from Berks, Representative Gallen.

I think the Representative was testing my pronunciations.

### CONSIDERATION OF HB 105 CONTINUED

The SPEAKER. On the amendment, the Chair recognizes the gentleman from Somerset, Mr. Lloyd.

Mr. LLOYD. Thank you, Mr. Speaker.

Mr. Speaker, before we get involved in a big argument here geographically as to how we ought to do or if we ought to do territorial rates, I wish everybody would look at the first part of this amendment, because it has nothing to do with territorial rates. What it does is to take out of the bill the authority for the pool to discount loss reserves. So what that means is even if you have territorial rating, you are going to start with higher numbers. We spent all morning arguing about that issue, and I suggest that we not adopt the amendment, if for no other reason than because it would undo the proconsumer position which the majority took this morning.

Now on the question of territorial rates. The bill itself, page 8, line 18, of the bill, "In establishing a rate, consideration shall be given to the current factors generally accepted in establishing motor vehicle insurance rates." That is language which the House put into this proposal a year ago in order to deal with the problem of the potential need for territorial rates, or not just territorial but also good-driver rates. Some of us get safe-driver discounts. That language would allow the pool to propose that. What the amendment appears to do is it says that the companies "shall" make rates on the basis of their customary risk in territorial rating classifications. Mr. Snyder indicated it is not his intention that they must do this if it is not actuarially sound, but in reading the language, that is not clear.

Furthermore, the amendment says that other than having the pool file for the rate—and that is the section of the bill that we would be amending—each individual company would file for the rate, and that is in fact not what would happen under this section of the bill. So the gentleman's amendment deals with the wrong section of the bill.

So his argument that somehow if we do not have territorial rating a company in your area will not sell the coverage, that is why we have a pool - to solve the fact that everybody is going to be able to buy the coverage. Each individual company does not have to be concerned that it is going to be on the hook.

Now, to the question of whether or not current evidence justifies territorial rating. There are two ways that this amendment suggests that we look at this: One is on the basis of frequency of claim and the other is on the basis of how much money has to be paid out. A suggestion was made that this is somehow Philadelphia against the world. That is not what the evidence shows.

I sent out to everybody and the Insurance Commissioner sent out to everybody a breakdown on a county-by-county basis of how many claims have been filed. Let me just go down the list. This is from the county that had the most claims on down: Jefferson—No. 1 county on claims, Jefferson

County—second, Wyoming County; Juniata County; Indiana County; Fayette; Fulton; Clearfield; Somerset; Elk—we heard this morning about how Elk ought to have such low rates; in fact, they have the ninth most frequent claims in the State—Potter; Perry; Mifflin; Armstrong; Cambria; Lackawanna; Bedford; Butler; Cameron; Schuylkill; Greene; Bucks—the first southeastern county that we get to is No. 22 in terms of the number of claims—Susquehanna; Venango; Mercer; Wayne; Washington; Union; Westmoreland; Monroe; Snyder; and at No. 32, Philadelphia.

Based on looking at that part of the Snyder test, the result ought to be that all of those counties above Philadelphia ought to pay more for catastrophic coverage than Philadelphia ought to pay, because they are the ones that have had the claims.

If you look at the second part of his test, which is how much money is actually paid out, No. 1 county, Wyoming; second, Juniata; Bedford is No. 3; Centre; Luzerne; Elk; Lancaster; Northumberland; Susquehanna; and at No. 10, the first one from the southeast, Chester; No. 11, Montgomery; then we go back to Westmoreland; Schuylkill; Franklin; Clearfield; Warren; Wayne; Cambria; Adams; then Delaware, No. 20; and then to Lycoming; McKean; Tioga; and No. 24, Philadelphia. So if we are going to go on the basis of that actuarial data, those 23 counties ahead of Philadelphia ought to pay more than Philadelphia does. So the argument that somehow this is Philadelphia against the world does not stand the test of the data.

Now, York against Philadelphia; the gentleman is probably right. I do not know why York is so much lower than a lot of other counties, but it is. But what we have seen is that these are random events. You cannot say it is going to happen in one county or another county based on the data that we have so far. In fact, Henry Hager, the president of the Insurance Federation, testified before the House Insurance Committee that while he did not want to concede this, that until this point in time, the statement that I had made about not being able to justify territorial rating was correct. Now, he said, I think there might be a trend the other way. He offered no evidence in support of that, and he conceded that to this point in time, it is correct that territorial rating does not make sense.

Now, the argument was made that it costs more to go to the hospital in the southeast, and that is true. But if you are from a rural area, stop to ask yourself the question, when somebody in your area has a catastrophic injury, how many times does he stay in the local hospital? In my area, he gets life-flighted to Pittsburgh. In some areas of the State, he might go to Geisinger or to Hershey Medical Center or to one of the Philadelphia hospitals. So as a practical matter, how much is paid out in a claim does not have that much to do with how much the local hospital charges; it is how much the hospital where the guy is actually receiving the care charges, and most of us, whether we are from the urban areas or not, are going to end up paying to those same hospitals.

For all of those reasons I would ask you to reject this amendment. Stick with the bill which says that if and when we

have data that would justify territorial rating, rates can be based on that, but do not mandate that we do that today, and especially do not do that on the mistaken assumption that those of us in the rural areas are going to be helped and those in the southeast are going to be the ones to pay the piper, because in fact, those of us in the rural areas are going to be helped. It does not take any great mathematical analysis to know that Philadelphia has 30 times as many people as Somerset County and only 9 times as many claimants. That tells me that what is going to happen under territorial rating is that my county is going to pay more, and I am not for that. I would ask for a "no" vote.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Elk County, Representative Distler, on the amendment.

Mr. DISTLER. Thank you, Mr. Speaker.

I rise to support the Snyder amendment. A few months ago one of the insurance companies made a proposal to the Insurance Commissioner. She rejected that proposal. That proposal was a territorial-type proposal in that it went from \$15 for the county of Elk to somewhere around \$80 in the metropolitan areas, specifically the Philadelphia area. To me, that is territorial rates, and it appears to me that those in the rural communities are the ones that are going to get shafted over the \$28 proposal that Mr. Lloyd is making.

Mr. Speaker, the rural residents of Pennsylvania are darn mad about us subsidizing the uninsured motorists in Pennsylvania. So I am asking my colleagues on both sides of the aisle, those that represent rural communities, to look very, very closely at this legislation, and I ask you to support Mr. Snyder's amendment. Thank you.

The SPEAKER. The Chair recognizes the gentleman from York, Mr. Snyder, for the second time on the amendment.

Mr. G. M. SNYDER. Thank you, Mr. Speaker.

I will speak briefly to the points made, or attempted to be made, by Representative Lloyd.

Number one, Representative Lloyd is absolutely correct. In all likelihood, Philadelphia may not end up having rates significantly different or at the highest rate or at the lowest rate.

All I am saying in this amendment is that even if you assume that catastrophic automobile accidents are purely random events - you cannot predict when they are going to occur or where they are going to occur or the frequency with which they are going to occur - I think you can predict that the costs of treating those injured people - the medical costs, the rehabilitation costs, the house rehabilitation costs - are going to be significantly different in different parts of this Commonwealth.

For example, let us say that two people suffer identical injuries, one in a high-medical-cost area, one in a low cost. The person in the high-cost area is even going to qualify for this kind of insurance much sooner than the person in the low-medical-cost area. That is just one example of why we should allow, not demand, not mandate, but allow insurance companies to take into consideration the differences that exist in the cost of treating people with catastrophic accident injuries in



Pennsylvania. It has nothing to do with one section of the Commonwealth being opposed to another section of the Commonwealth. What it does have to do with is charging a fair price for a product.

If you are going to have a statewide rate and you are going to have government mandate it and you are going to require only one rate, that is not going to happen. That is not going to happen until the cost of medical care and all of the other variables are exactly the same in every county, in every community of this State. I do not think that is the way it is now; I do not think that is the way it is going to be. That is why I have offered this amendment. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Somerset, Mr. Lloyd, on the amendment for the second time.

Mr. LLOYD. Mr. Speaker, just to underscore the point, wholly apart from what you think about territorial rating, this amendment rips out the proconsumer provision on discounting of the loss reserves. If we pass this amendment, we will have undone much of what we did this morning. For that reason I would ask for a "no" vote.

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

The following roll call was recorded:

YEAS—81

Table with 4 columns of names: Adolph, Allen, Angstadt, Argall, Barley, Black, Boyes, Brandt, Bunt, Burd, Burns, Bush, Carlson, Cessar, Chadwick, Clark, D. F., Clark, J. H., Clymer, Davies, Dempsey, Dietterick, Dininni, Distler, Dorr, Evans, Fairchild, Farmer, Fleagle, Flick, Foster, Fox, Freind, Gallen, Geist, Gladeck, Gruppo, Hayes, Heckler, Herman, Hershey, Hess, Jackson, Jadowiec, Johnson, Kondrich, Langtry, Lashinger, Lee, Leh, McVerry, Marsico, Merry, Micozzie, Miller, Moehlmann, Mowery, Nahill, Nailor, Phillips, Piccola, Pitts, Reber, Reinard, Robbins, Ryan, Saurman, Scheetz, Schuler, Semmel, Smith, B., Smith, S. H., Snyder, D. W., Snyder, G., Stairs, Strittmatter, Taylor, E. Z., Telek, Vroon, Wass, Wilson, Wright, J. L.

NAYS—114

Table with 4 columns of names: Acosta, Battisto, Belardi, Belfanti, Billow, Bishop, Blaum, Bortner, Bowley, Broujos, Caltagirone, Cappabianca, Carn, Cawley, Civera, Clark, B. D., Cohen, Colafiglia, Colaizzo, Durham, Freeman, Gannon, George, Gigliotti, Godshall, Gruitza, Hagarty, Haluska, Harper, Hasay, Hayden, Howlett, Hughes, Itkin, James, Jarolin, Josephs, Kaiser, Lucyk, McCall, McHale, McNally, Maiale, Maine, Markosek, Mayernik, Melio, Michlovic, Morris, Mrkonic, Murphy, O'Brien, O'Donnell, Oliver, Perzel, Petrarca, Petrone, Rudy, Rybak, Saloom, Scrimenti, Serafini, Staback, Steighner, Stish, Stuban, Tangretti, Taylor, F., Taylor, J., Thomas, Tigue, Trello, Trich, Van Horne, Veon, Wambach.

Table with 4 columns of names: Cole, Cornell, Corrigan, Cowell, Coy, DeLuca, DeWeese, Daley, Dombrowski, Donatucci, Kasunic, Kenney, Kosinski, Kukovich, LaGrotta, Laughlin, Lescovitz, Levdansky, Linton, Lloyd, Pievsky, Pistella, Pressmann, Preston, Raymond, Richardson, Rieger, Ritter, Robinson, Roebuck, Weston, Williams, Wogan, Wozniak, Wright, D. R., Wright, R. C., Yandrisevits, Manderino, Speaker.

NOT VOTING—0

EXCUSED—7

Table with 4 columns of names: Birmelin, Fargo, Fee, Gamble, Letterman, Noye, Olasz.

The question was determined in the negative, and the amendments were not agreed to.

REMARKS ON VOTE

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

Mr. EVANS. Thank you, Mr. Speaker.

Mr. Speaker, my switch again did not seem like it was working properly. It should have been in the negative rather than in the positive. I would also like for you to have someone check my switch, Mr. Speaker.

The SPEAKER. The gentleman's remarks will be spread upon the record, and the Chief Clerk is requested to make proper adjustment to the gentleman's voting device.

CONSIDERATION OF HB 105 CONTINUED

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

Mr. GALLEN offered the following amendments No. A0296:

Amend Bill, page 2, by inserting between lines 2 and 3 Section 4. Section 1702 of Title 75 is amended by adding a definition to read:

§ 1702. Definitions.  
The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

\*\*\*

"Extraordinary medical expenses." Medical or rehabilitative expenses incurred in excess of \$100,000 up to a limit of \$1,100,000. The term shall include bodily injury, sickness or disease arising from any cause.

\*\*\*

Amend Sec. 4, page 2, line 3, by striking out "4" and inserting

5

Amend Sec. 5, page 4, line 19, by striking out "5" and inserting

6

Amend Sec. 6, page 4, line 30, by striking out "6" and inserting

7

Amend Sec. 7, page 5, line 1, by striking out "7" and inserting

8

Amend Sec. 8, page 6, line 20, by striking out "8" and inserting

9

Amend Sec. 9, page 11, line 7, by striking out "9. Section 8" and inserting

10. Section 9

Amend Sec. 9, page 11, lines 8 and 9, by striking out "6 and 8" and inserting

5, 7 and 9

Amend Sec. 10, page 11, line 11, by striking out "10" and inserting

11

Amend Sec. 10, page 11, line 12, by striking out "8" and inserting

9

Amend Sec. 10, page 11, line 14, by striking out "8" and inserting

9

Amend Sec. 10, page 11, line 16, by striking out "6 and 9" and inserting

5, 7 and 10

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Berks, Mr. Gallen, on his amendment.

Mr. GALLEN. Mr. Speaker, this amendment is meant to show how ludicrous this whole business of the CAT Fund has been and this whole business of attempting to provide catastrophic loss coverage and also mandating that insurance companies offer it.

This amendment would provide that not only those people who are injured in automobile accidents would be covered from \$100,000 up to \$1,100,000 but it provides that anyone who sustains an injury from any cause or is ill and has medical bills which exceed \$100,000 would be covered. The reason for this, Mr. Speaker, is that of all those people who have these kinds of major medical bills, only 31 percent—that is, only 31 percent—of those people sustain those bills as a result of motor vehicle accidents, and once again, we are trying to address a problem we have no business being in.

Now, Mr. Speaker, I wanted to address the House on this subject, but I think that my amendment is nongermane, and I think I am the first person who should raise that point, because we are talking about a motor vehicle bill here, and this would address a problem of all other medical, so I challenge the germaneness of this amendment, Mr. Speaker.

AMENDMENTS WITHDRAWN

The SPEAKER. Would the gentleman like to withdraw his amendment?

Mr. GALLEN. I will withdraw it, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

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

Mr. BOWLEY offered the following amendments No. A0291:

Amend Sec. 8 (Sec. 1798.2), page 9, line 1, by inserting after "repealed"

until completion of the eligibility period for which benefits were purchased

Amend Sec. 8 (Sec. 1798.2), page 9, lines 1 through 4, by striking out "UNDER NO CIRCUMSTANCES SHALL AN INDIVIDUAL" in line 1, all of lines 2 and 3, and "1989." in line 4

Amend Sec. 8 (Sec. 1798.2), page 9, lines 8 through 11, by striking out "The Insurance Commissioner is also" in line 8, all of lines 9 through 10, "registration years occurring on or after March 1, 1989." in line 11 and inserting

The Insurance Commissioner shall notify eligible claimants of the termination date of their eligibility and shall provide them with the endorsement set forth in subsection (c).

On the question,

Will the House agree to the amendments?

AMENDMENTS WITHDRAWN

The SPEAKER. The Chair recognizes the gentleman from Warren, Mr. Bowley.

Mr. BOWLEY. Mr. Speaker, that amendment is withdrawn, and another amendment, No. A0312, has been introduced to replace it.

The SPEAKER. Has that second amendment been submitted to the amendment clerk for duplication? Has it been distributed? Will it be submitted to the clerk so the clerk can read the amendment. The original clerk-read amendment is withdrawn.

On the question recurring,

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

Mr. BOWLEY offered the following amendments No. A0312:

Amend Sec. 8 (Sec. 1798.2), page 8, lines 28 and 29, by striking out "prior to March 1, 1989,"

Amend Sec. 8 (Sec. 1798.2), page 9, line 1, by inserting after "repealed"

until completion of the eligibility period for which benefits were purchased

Amend Sec. 8 (Sec. 1798.2), page 9, lines 1 through 4, by striking out "UNDER NO CIRCUMSTANCES SHALL AN INDIVIDUAL" in line 1, all of lines 2 and 3, and "1989." in line 4

Amend Sec. 8 (Sec. 1798.2), page 9, lines 8 through 11, by striking out "The Insurance Commissioner is also" in line 8, all of lines 9 through 10, "registration years occurring on or after March 1, 1989." in line 11 and inserting

The Insurance Commissioner shall notify eligible claimants of the termination date of their eligibility and shall provide them with the endorsement set forth in subsection (c).

On the question,

Will the House agree to the amendments?

The SPEAKER. On the amendment, the Chair recognizes the gentleman from Warren, Mr. Bowley.

Mr. BOWLEY. Thank you, Mr. Speaker.

Mr. Speaker, my amendment would attempt to address a part of the current legislation in HB 105 which is on pages 8 and 9.

Under the current legislation, someone would be eligible for a prorated refund as the coverage would go out of existence

on March 1, 1989. My amendment attempts to address some of the concerns that were raised by Representative Paul Wass earlier this morning, in that if a person had paid the \$8 and expected a full year's coverage for that \$8 that they paid, I feel that we owe them a full year's coverage for that. They have sent in the money. They are expecting coverage. And also, as was mentioned earlier before by Representative Freind, I believe the Commonwealth is putting itself into a situation where legal liability in lawsuits could occur after someone who may be injured in an automobile accident after March 1, 1989, however, feels that they still have coverage but the Commonwealth says they do not, and I am sure there are going to be lawsuits regarding that.

My amendment would simply say that a person who paid their \$8 is entitled to a full year's coverage for that insurance under the CAT Fund.

The SPEAKER. The Chair recognizes the gentleman from Somerset, Mr. Lloyd, on the amendment.

Mr. LLOYD. Thank you, Mr. Speaker.

Mr. Speaker, one thing on which Mr. Freind and I did agree this morning was that since the Governor has made a commitment that there are going to be refunds, that this bill ought to authorize those refunds. The Bowley amendment, I am afraid, is going to add further confusion to the situation, because now we are going to be in the position of saying that we are not going to make refunds, and people are going to be out there saying, well, wait a minute; should I go ahead and buy coverage from somebody else or should I not?

Now, the position which Mr. Bowley is advocating is one with which I have some sympathy - a position which I advocated 1 year ago. However, there are several practical problems.

Number one, under the Bowley amendment, the following situation will arise: A family owns two cars. The CAT Fund coverage has run out on one car and not on the other. The motorist is hurt in the car which still has CAT Fund coverage. Under the Bowley amendment and under the bill, the rules of the game that apply are the rules under the old CAT Fund law, and the old CAT Fund law says that if you do not have all of your cars CAT Funded, you do not get benefits, even if you are hurt in one that is. Now, can that be fixed? Could we work out a transition for that kind of problem and all of the other transitional problems? The answer is, yes, we could. However, this amendment does not do that. This amendment simply adds confusion.

On top of that, Mr. Speaker, we have a situation in which there has been a tremendous amount of publicity that people know that on March 1, if they want coverage, they are going to have to go get it. Whether March 1 turns out to be the date or whether it is some other date, there is a clear interest in having people know exactly when they are going to have to buy coverage, not to confuse them with mailings that say, well, now, you have got three cars; this one runs out one date, that one runs out another date, and the third one runs out a third date. I think we are going to have less participation because people are not going to know whether they need it or

whether they do not, and we are going to have the same kind of problems that we had back when the CAT Fund was originally proposed and implemented with these things coming in the mail and people not knowing - I already got one for one car; I do not need this one. I think we are just asking for trouble.

The final point would be that there are some costs associated with this amendment. This amendment requires the Insurance Commissioner to notify eligible claimants, and there is going to be a cost of doing that, and that is going to run up a bill that we are going to have to pay. Secondly, this amendment, because it is going to extend coverage for a longer period of time, is going to increase the unfunded liability. We are going to save money by not making refunds. We are going to cost money, which is going to be more, by extending coverage without requiring anybody to pay anything else. If we are going to do that, then we better be sure that there are a lot of folks on this floor who are willing to put up the votes to provide the money to pay for that extension.

So for all of those reasons, Mr. Speaker, I oppose the amendment.

The SPEAKER. The Chair thanks the gentleman.

### FILMING PERMISSION

The SPEAKER. The Chair informs the House that the Public Television camera that was stationary is moving about the Assembly with the permission of the Speaker, under the rules of the House.

### CONSIDERATION OF HB 105 CONTINUED

The SPEAKER. The Chair recognizes the gentleman from Cumberland, Mr. Broujos, on the amendment.

Mr. BROUJOS. I would like to address the observations of Mr. Lloyd.

If the question of creating confusion is a test, then we should not have introduced or passed any bill relating to catastrophic funds. So let us get rid of that as an argument in this case.

Now, with respect to the two-car situation, we are doing everything we can to provide continuous coverage, and the provision of continuous coverage is included in a number of bills. It is provided in administrative procedure. So I do not see that as an argument at all. I think it does not address the basic problem, and that is whether or not we do have a contractual relationship with the car owner. We have that relationship because we have held out to them coverage at a certain rate.

I think that the administration's position that there is a fund provided, it is a governmental fund, and that the \$8 is a fee which can be rescinded or changed at any time will not stand up in court. What are we going to have? We are going to have a repetition of the axle tax, a repetition of the stock franchise tax. As a result of those two taxes imposed in 1982 and before by this General Assembly, there were unconstitutional bills passed. They were so held by the Supreme Court. We

went through years of litigation. We probably went through more millions of dollars than it would cost to provide for the coverage of people that paid their \$8 until the expiration of the period of time for which it was paid. Consequently, I do not think that the cost is going to be a major factor, and if it is a factor, it is our cost to put our money up for the credibility we owe to the taxpayer and the car owner, and that is that we represent something to them at one time; let us not change it; let us not give them an unconstitutional bill that will result in litigation for a prolonged period of time.

I ask for the support of the Bowley amendment.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Crawford County, Representative Merry.

Mr. MERRY. Mr. Speaker, I rise to support the Bowley-Broujos amendment.

This is the first logical piece of legislation that we have had in amendments to consider here today. I suggest we want to review two things.

When the State, when we put the CAT Fund into effect, we did one of the poorest jobs of public relations that it was possible to do. Have you ever thought about the fact that we never even let these new insureds know exactly what provisions they had purchased? We only directed them to start sending in \$5, which ultimately became \$8, for an unknown insurance policy. There never was any language like you get with other insurance policies, and because of that, the contractual relationship may not be as fixed as one where one person exchanges a piece of paper for another. What we are looking at here is a situation that we have a moral and legal right to continue to give these insureds the full amount of their policy. There is no reason that we should quit the policy at a given date, March 1 or whatever, and issue refunds.

Now, here is what happens as a matter of practicality: I am being told—and I am sure you are—that many people are not going to cash their refund check if such an event will occur. They intend to lay the check aside. Does this then, in your lawyer terms, still continue a contract, or does it cease on the date that the State happened to mail it out? If the person never receives the refund, is there still a contractual arrangement or is there not?

I believe that we have no choice but to continue to honor the contractual relationship that we have established, as poorly as we have done it. Even though this may possibly increase our unfunded liability, it is part of our responsibility. By the same token, we have the balances of these \$8's left to do that with. Why should we be giving portions of this \$8 as a proportionate rebate back to the people, paying up to \$1 apiece for administrative fees to do that, and have less to work with? I believe that we should keep those funds within our catastrophic insurance plan to be used as premiums to pay future losses.

Then I want you to consider the other thing: Can you imagine what is going to happen on March 1 when we have arbitrarily canceled every CAT Fund insurance program? The only way that our people can be expected to act is that on

March 1 or on February 28, each and every one of them will have to be on the doorstep of an insurance agent saying, what ranibi buy to replace my insurance policy? Nan you imagine what your independent and your other insurance agents are going to think about thousands of people inundating their offices within a day or two's time? There is no way that they can physically handle it, even if each and every one of those agents had a policy to offer, and as you well know, we do not have policies being offered in every insurance office in Pennsylvania. For those two reasons, Mr. Speaker, I feel that the Bowley and Broujos amendment A312 is the way to handle it.

Now, if there is difficulty in language—the last three lines appear to be a problem, because it is unnecessary—maybe the maker of the amendment or someone else, in their wisdom, can eliminate those three lines, which I think do cause a problem, or if in effect there is a way to separate it from the amendment, I think it would be advisable for the makers to consider that.

In any event, Mr. Speaker, I do support this amendment and urge the entire membership to vote for it.

The SPEAKER. The Chair thanks the gentleman.

On the question of the amendment, the Chair recognizes the gentleman from Luzerne, Mr. Tigue.

Mr. TIGUE. Thank you, Mr. Speaker.

Mr. Speaker, the question is very simple. We charged the people of Pennsylvania the \$8, and we made a contract with them to provide catastrophic coverage. Therefore, we should live up to our part and allow them to have a full year's coverage for what they paid.

Mr. Lloyd is right when he says there will be confusion. There is confusion under the current bill being proposed. There is confusion under the current system. No one knows what is going to happen on the 1st of March. Are we going to refund 67 cents or are we going to deduct it from registrations? What are we going to do? There will be somewhat of a cost to the Insurance Commissioner for notifying. That may not be as desirable as the rest of the amendment, but we should not defeat the amendment because of that.

It is very simple. There is an unfunded liability. We are not exposing ourselves to more liability, because the number of people will lapse as time goes on. It is the same argument Mr. Lloyd used for voluntarily pooling the money. Not everyone will buy it, but the numbers will not change.

Therefore, I urge your support of the Bowley amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Indiana, Mr. Wass, on the amendment.

Mr. WASS. Thank you, Mr. Speaker.

Mr. Speaker, may I interrogate Representative Lloyd?

The SPEAKER. The question is, will the gentleman, Mr. Lloyd, consent to interrogation? He indicates that he will. Mr. Wass may proceed.

Mr. WASS. Thank you.

Mr. Speaker, I am trying to get into the record the exact date or time that a person would lose his coverage under the

CAT Fund on the last day of February. Now, if the accident was held on that day, would he be covered whether he would be determined at that time to be under the CAT Fund or not? Is that the criteria - the accident?

Mr. LLOYD. Yes. What matters is when the accident occurred. If the accident occurred prior to March 1, he is covered. If it occurred after then, he is not covered.

Mr. WASS. Even though it has not been established that he qualified for the CAT Fund at that time.

Mr. LLOYD. Well, he would have to otherwise have qualified.

Mr. WASS. Yes, sure.

Mr. LLOYD. He would have had to have paid the CAT Fund fee.

Mr. WASS. Right. But the date of the accident would determine his—

Mr. LLOYD. I understand your question now. Yes; that is right. Even though it might be a year from now that he finds out that he is in fact over \$100,000, what would be the critical question is when the accident took place.

Mr. WASS. Thank you for helping me get that into the record.

The SPEAKER. The Chair recognizes the majority leader.

Mr. O'DONNELL. Thank you, Mr. Speaker.

I think the bottom line on the amendment is this: Unless we cut off the liability at a date certain—and Representative Lloyd has suggested March 1—we have to be prepared to pay for an ever-increasing unfunded liability. So the clock is running and the bills are mounting, and unless we cut them off here, we have to be prepared to come back at some point in the future and vote for an ever-increasing amount of money to fund that liability.

Accordingly, I would respectfully urge you to defeat the amendment.

The SPEAKER. The Chair recognizes the gentleman from Somerset, Mr. Lloyd, for the second time.

Mr. LLOYD. Thank you, Mr. Speaker.

Mr. Speaker, there are two things that need to be put on the record. One is, in regard to the comment that was made previously by Mr. Tigue that this is the same principle as how many people participate and that there would be no additional exposure, that is not the same thing, and in fact, Mr. Bowley is in possession of a fiscal note which indicates that if his amendment were to pass, there would be an increase in the unfunded liability.

The second thing that needs to be on the record, regardless of what people decide they want to do with this amendment, is the legal theory on which cutting off the benefits on March 1 is based. That legal theory is that the CAT Fund was not a contract but the CAT Fund is a benefit program and that the \$8 fee is a charge or a tax and a motorist does not have a vested interest in that benefit program until such time as he is in fact injured. In support of that, it should be noted that there are people who receive CAT Fund benefits who did not pay the CAT Fund. Initially people who were uninsured motorists were cut out. Now they are in. People who are

pedestrians who do not own a vehicle who are hit are in the CAT Fund. They did not pay for it. They had no contract for it. They are in. I do not know what would happen under the Bowley amendment. I guess they would be out, but I am not sure. But the fact of the matter is that there is a legal dispute as to whether the theory is one of contract or whether the theory is one of a benefit program which the State paid for through a tax. But however you decide this question, if you decide to put this amendment in, be prepared to pay for it later on. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Warren, Mr. Bowley, on the question of the amendment.

Mr. BOWLEY. Thank you, Mr. Speaker.

Mr. Speaker, I am not a lawyer and I am not going to stand here and say that this was a contract or a benefit program. I am going to argue from the commonsense point of view, that if someone paid \$8, they deserve the benefits and the right to obtain those benefits if, unfortunately, they are injured in an automobile accident 1 year from the date when their car registration came due and they paid the \$8. It is common sense. My fiscal note says it is going to cost around \$21 million to refund money back to these people, and as sure as I am standing here, someone will sue the Commonwealth of Pennsylvania after March 1 who is injured in an automobile accident who paid the \$8 and has not received their refund yet.

I ask for a "yes" vote.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

#### YEAS—78

Allen	Cornell	Jadlowiec	Rybak
Argall	Cowell	Langtry	Saloom
Barley	Coy	Lee	Scheetz
Belardi	Davies	Linton	Schuler
Belfanti	Dempsey	Lucyk	Semmel
Bishop	Dininni	McCall	Serafini
Black	Distler	McHale	Snyder, D. W.
Blaum	Dombrowski	McVerry	Staback
Bowley	Durham	Maine	Steighner
Brandt	Fairchild	Merry	Strittmatter
Broujos	Flick	Miller	Stuban
Bunt	Foster	Moehlmann	Tangretti
Bush	Fox	Mrkonic	Tigue
Cappabianca	Freeman	Nahill	Veon
Carlson	George	Phillips	Vroon
Carn	Godshall	Pressmann	Wambach
Cawley	Gruppo	Robbins	Wass
Cessar	Hasay	Rudy	Wozniak
Clark, D. F.	Hughes	Ryan	Yandrisevits
Clark, J. H.	Jackson		

#### NAYS—116

Acosta	Gannon	Levdansky	Rieger
Adolph	Geist	Lloyd	Ritter
Angstadt	Gigliotti	McNally	Robinson
Battisto	Gladeck	Maiale	Roebuck
Billow	Gruitza	Markosek	Saurman
Bortner	Hagarty	Marsico	Scrimenti
Boyes	Haluska	Mayernik	Smith, B.
Burd	Harper	Melio	Smith, S. H.
Burns	Hayden	Michlovic	Snyder, G.
Caltagirone	Hayes	Micozzie	Stairs
Chadwick	Heckler	Morris	Stish
Civera	Herman	Mowery	Taylor, E. Z.

Clark, B. D.	Hershey	Murphy	Taylor, F.
Clymer	Hess	Nailor	Taylor, J.
Cohen	Howlett	O'Brien	Telek
Colaafella	Itkin	O'Donnell	Thomas
Colaizzo	James	Oliver	Trello
Cole	Jarolin	Petzel	Trich
Corrigan	Johnson	Petrarca	Van Horne
DeLuca	Josephs	Petrone	Weston
DeWeese	Kaiser	Piccola	Williams
Daley	Kasunic	Pievsy	Wilson
Dietterick	Kenney	Pistella	Wogan
Donatucci	Kondrich	Pitts	Wright, D. R.
Dorr	Kosinski	Preston	Wright, J. L.
Evans	Kukovich	Raymond	Wright, R. C.
Farmer	LaGrotta	Reber	
Fleagle	Lashinger	Reinard	Manderino,
Freind	Laughlin	Richardson	Speaker
Gallen	Leh		

## NOT VOTING—1

Lescovitz

## EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

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

Mr. CARN offered the following amendments No. A0126:

Amend Title, page 1, line 4, by inserting after "benefits;" making an appropriation;

Amend Bill, page 11, by inserting between lines 6 and 7

Section 9. Title 75 is amended by adding a Chapter to read:

## CHAPTER 18

PHILADELPHIA AUTOMOBILE INSURANCE  
AUTHORITY

Sec.

1801. Definitions.

1802. Authority created.

1803. Rights, powers and purposes.

1804. Operating budgets.

1805. Governing board.

1806. Sovereign immunity.

1807. Moneys of authority.

1808. Additional Commonwealth pledge.

1809. Exemption from taxation.

§ 1801. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Authority" or "Philadelphia Automobile Insurance Authority." An agency and public instrumentality of this Commonwealth and a body politic and corporate created pursuant to this chapter.

"Board." The governing body of an authority.

"City." Any city or county of the first class.

"Commissioner." The Insurance Commissioner of the Commonwealth.

"Federal agency" or "Federal Government." The United States, the President of the United States and any department or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States.

"Plan." The detailed proposals and recommendations issued by the authority which would provide adequate and fair coverage to all responsible drivers within cities of the first class

and which address the issues of fraud, high rates and other insurance problems that plague large cities.

"Secretary." The Secretary of the Budget of the Commonwealth.

"State public body." The Commonwealth and its agencies (executive, administrative and independent), departments, officers, boards, authorities, commissions and instrumentalities.

§ 1802. Authority created.

A body corporate and politic, to be known as the Philadelphia Automobile Insurance Authority, is hereby created as a public authority and government instrumentality to have continuing succession until its existence is terminated by law. The exercise by the authority of the powers conferred by this chapter is hereby declared to be and shall for all purposes be deemed and held to be the performance of an essential public function. The Philadelphia Automobile Insurance Authority is exempt from participation in the Pennsylvania Insurance Guaranty Association provided by the act of November 25, 1970 (P.L.716, No.232) known as The Pennsylvania Insurance Guaranty Association Act.

§ 1803. Rights, powers and purposes.

(a) General powers and purposes.—Every authority created by this chapter shall be a public body, corporate and politic, exercising public powers of the Commonwealth as an agency and instrumentality thereof and shall be for the purpose, without limitation, by itself or by agreement in cooperation with others, of acquiring, providing, holding, managing, operating, financing, insuring or guaranteeing assets for the purposes of providing automobile insurance other motor vehicle insurance and establishing automobile and other motor vehicle insurance rates that are fair to most drivers in cities of the first class.

(b) Specific powers and purposes.—The authority is granted all powers necessary or convenient for the carrying out of the aforesaid purposes, including, without limiting the generality of the foregoing, the following rights, powers and purposes:

(1) To implement a health care cost containment program with set fees for services and a peer review process.

(2) To require the use of anti-theft and anti-vandalism techniques and devices and provide for discounts with their use.

(3) To exempt participants in the authority's insurance plan from established minimum required auto coverages to the following minimum requirements:

(i) Bodily injury liability of \$15,000 per person.

(ii) Bodily injury liability of \$30,000 per accident

(iii) Property damage liability of \$5,000.

(4) To contract with particular well managed, skilled and low-cost body shops in order to provide special deduction to individuals that use the services of these "preferred shops."

(5) To provide collision and comprehensive coverages with a \$500 deductible or more.

(6) To require medical bills to exceed \$10,000 or injuries resulting in permanent disability or disfigurement before a suit can be filed in court.

(7) To implement fraud control programs and other activities.

(8) To have continuing succession.

(9) To sue and be sued, implead and be impleaded, complain and defend in all courts.

(10) To adopt, use and alter at will a corporate seal.

(11) To acquire by gift or otherwise, purchase, hold, receive, lease, sublease and use any license, franchise or property, real, personal or mixed, tangible or intangible, or any interest therein.

(12) To sell, transfer or dispose of any property or interest therein with adequate and fair consideration.

(13) To make bylaws for the management and regulation of its affairs and issue rules, regulations and policies in connection with the performance of its functions and duties.

(14) To appoint officers, agents, employees and servants, to prescribe their duties and to fix their compensation.

(15) To fix, alter, charge and collect insurance premiums, payments, fees and other charges.

(16) To borrow money for the purpose of paying the costs of any plan and to evidence the same.

(17) To make, enter into and award contracts of every name and nature and to execute all instruments necessary or convenient for the carrying out of its business.

(18) To borrow money and accept grants and to enter into contracts, leases, subleases, licenses or other transactions with any Federal agency, State public body, political subdivision, person, association, partnership or corporation.

(19) To pledge, hypothecate or otherwise encumber any of its property, real, personal or mixed, tangible or intangible, and its revenues or receipts.

(20) To invest its money.

(21) To cooperate with any Federal agency, State public body or political subdivision.

(22) To invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursements, as authorized by section 13(d).

(23) To appoint all officers, agents and employees required for the performance of its duties and fix and determine their qualifications, duties and compensation and retain or employ other agents or consultants, including, but not limited to, auditors, private counsel and private consultants on a contract basis or otherwise for rendering professional or technical services and advice.

(24) To enroll its employees in an existing retirement system of the State, city or other governmental entity.

(25) To appoint and fix the compensation of chief counsel and such assistant counsel to provide it with legal assistance, for which purpose the authority shall not be considered either an executive agency or an independent agency for the purpose of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, but shall possess the same status for such purpose as the Auditor General, State Treasurer and the Philadelphia Public Utility Commission, except that the provisions of section 204(b) and (f) of the Commonwealth Attorneys Act shall not apply to the authority, and, notwithstanding the provisions of 42 Pa.C.S. § 8525 (relating to legal assistance), the authority through its counsel shall defend actions brought against the authority and its officers and employees when acting within the scope of their official duties.

(26) To maintain an office in the city.

(27) To appoint an executive director, who shall be the chief executive officer of the authority, who shall devote his full time during business hours to the duties of his office and who shall receive compensation as the board shall determine.

(28) To do all acts and things necessary or convenient for the promotion of its purposes and the general welfare of the authority and to carry out the powers granted to it by this act or any other acts.

(c) Limitation.—The authority shall have no power to pledge the credit or taxing powers of any State public body, any political subdivision or the city, nor shall any of its obligations be deemed obligations of any State public body, any political subdivision or the city, nor shall any State public body, any political subdivision or the city, be liable for the payment of principal or interest on such obligations.

(d) Affirmative action.—The authority shall develop and implement an affirmative action plan to assure that all persons are accorded equality of opportunity in treatment, employment and contracting by the authority, its contractors, subcontractors, assignees, lessees and agents.

§ 1804. Operating budgets.

(a) Operating budget.—At least 90 days before the commencing of the ensuing fiscal year of the authority, the board shall cause to be prepared and submitted to it a recommended operating budget. The operating budget shall set forth the estimated receipts and revenues of the authority during the next fiscal year. The board shall, at least 30 days before the end of the fiscal year, adopt, by a majority vote of its members, an operating budget for the next fiscal year.

(b) Insurance plan.—Notwithstanding any other provisions of this law to the contrary, the design for any plan undertaken by the authority shall be submitted to the commissioner for approval. No such plan may be undertaken by the authority unless and until approved by the commissioner. Upon approval, the commissioner may issue a certificate of authority to do business.

§ 1805. Governing board.

(a) Power.—The power of the authority shall be exercised by a governing board (hereinafter called the “board”) composed of seven members.

(1) The Governor shall appoint two members who shall be residents of counties of the first class. The members initially appointed pursuant to this paragraph shall serve two years. If any vacancy is created by any of the members provided by this subsection, appointments shall be made by the governor.

(2) The Governor shall appoint two members who shall represent the Commonwealth at large, who shall not be members of the same political party. The members initially appointed pursuant to this paragraph shall serve for terms coincident with the term of the Governor. The Governor shall appoint the two members from each of two lists of at least four nominees, each prepared and submitted to the Governor respectively by the floor leaders of the Senate and the House of Representatives who belong to the same political party. Each floor leader may contribute at least two names to the appropriate list and shall submit such nominees to the Governor. The Governor shall select a member from each list within 30 days of receipt of each list, or else may request one substitute list of nominees from both or either group of floor leaders. If both or either group of floor leaders fail to submit a list of nominees within 30 days of a request to do so by the Governor or fail to submit a receipt of a request to do so, the Governor may appoint such member or members, for which lists of nominees were not submitted, at his discretion. In the event one of the two floor leaders responsible for the submission of nominees for a list fails to submit such nominees, the Governor shall act upon the nominees submitted by the other floor leader as if he had received nominees from both floor leaders. If the Governor fails to select a member from either list of nominees within 30 days of receipt of such list and fails to request a substitute list, or fails to select a member from the substitute list within 30 days of receipt of such list, the floor leaders who prepared the list may appoint a member to serve on the board. Whenever a vacancy occurs prior to the completion of the term of office of a member appointed pursuant to this subsection, the floor leaders belonging to the same political party as the board member whose seat has become vacant did at the time of appointment of such member shall submit a list of nominees to replace such member to the Governor. In the event of a vacancy in the office of an initial gubernatorial appointee, a replacement member shall be appointed pursuant to the procedures set forth in this subsection.

(3) The chief executive officer of the city of the first class shall appoint two members. The terms of office of such members shall run concurrently with the term of office of such appointing authority.

(4) The initial appointment of board members shall have no force and effect unless and until the six members pro-

vided by paragraphs (1), (2) and (3) have been appointed, which event shall constitute the formation of the board.

(5) The six members so appointed shall appoint a seventh member, who shall serve as chairman of the board, by a vote of at least four members of the board. The initial term of the chairman shall be for a term of four years. In the event that the members cannot agree on the initial seventh member within 90 days of the creation of the authority, or the members cannot agree upon the selection of a chairman in the event the office of chairman becomes vacant within 90 days of the occurrence of such vacancy, the Governor shall appoint the member. The chairman may be removed and a new chairman may be selected by the vote of five members of the board.

(6) If, at any time the commissioner is not an appointed member of the board, he shall serve as a nonvoting ex officio member of the board.

(b) Terms and vacancies.—Except as otherwise provided, initial board members shall serve until their successors have been appointed and qualified. Thereafter, except as otherwise provided, members shall serve a term from the date of their appointment and until their successors have been appointed and qualified. If a vacancy shall occur by means of the death, disqualification, resignation or removal of a member or the chairman, subject to the provisions of subsection (a), the appointing authority shall appoint a successor to fill his unexpired term.

(c) Compensation.—Subject to such aggregate per annum limitation and any other rules and regulations as the board shall determine, a member shall receive \$125 per diem when engaged in the exercise of his duties for the authority and shall also be entitled to necessary expenses, including traveling expenses, incurred in the discharge of his duties. In addition, the chairman of the board of the authority shall be entitled to receive such additional compensation as the board shall determine. No other member of the board shall be entitled to any additional compensation for extra service provided to the authority. The per diem amount may be increased by a vote of five members of the board, but any such increase shall not apply during the term of office of board members voting or eligible to vote on such per diem increase.

(d) Organization.—The members of the board shall select from among themselves a vice chairman and such other officers as the board may determine. Except as otherwise provided, all actions of the board shall be taken by a vote of at least four members of the board, which shall constitute a majority of the board, unless the bylaws of the authority shall provide for a greater vote. The board shall have full authority to manage the business of the authority and to prescribe, amend and repeal bylaws, rules and regulations governing the manner in which the business of the authority may be conducted and the powers granted to it may be exercised and embodied. Notwithstanding any other law, court decision, precedent or practice to the contrary, no actions by or on behalf of the board shall be taken by any officer of the board except upon the approval of a majority of the board. The term "actions by or on behalf of the board" means any action whatsoever of the board, including, but not limited to, the hiring, appointment, removal, transfer, promotion or demotion of any officers and employees, the retention, use or remuneration of any advisors, counsel, auditors or consultants, the initiation of any legal action, the making of any contracts, agreements, notes or covenants, the approval of requisitions, purchase orders, investments and reinvestments, and the adoption, amendment, revision or rescission of any rules and regulations, orders or other directives. The chairman, vice chairman or any other officer, committee or employee of the board may take actions by or on behalf of the board as authorized at least annually by a vote of four members of the board and subject always to the supervision and control of the board.

(e) Nonliability of members.—Members of the board shall not be liable personally on obligations of the authority, and the rights of creditors shall be solely against such authority. The authority, itself or by contract, shall defend board members, and the authority shall indemnify and hold harmless board members, whether currently employed by the authority or not, against and from any and all personal liabilities, actions, causes of action, and any and all claims made against them for whatever actions they perform within the scope of their duties as board members. § 1806. Sovereign immunity.

It is hereby declared to be the intent of the General Assembly that the authority created pursuant to this chapter and its officers, officials and employees shall enjoy sovereign and official immunity, as provided in 1 Pa.C.S. § 2310 (relating to sovereign immunity reaffirmed; specific waiver), and remain immune from suit except as provided by and subject to the provisions of 42 Pa.C.S. §§ 8501 (relating to definitions) through 8528 (relating to limitations on damages). Notwithstanding the provisions of 42 Pa.C.S. § 8525 (relating to legal assistance), the authority through its counsel shall defend actions brought against the authority and its officers and employees when acting within the scope of their official duties.

§ 1807. Moneys of authority.

(a) Paid to treasurer.—All moneys of the authority, from whatever source derived, shall be paid to the treasurer of the authority.

(b) Funds to be invested.—The board shall invest authority funds consistent with sound business practice.

(c) Investment program.—The board shall provide for an investment program subject to restrictions contained in this chapter and in any other applicable statute and any rules and regulations adopted by the board.

(d) Authorized types of investments.—Authorized types of investments for authority funds shall be:

(1) Direct obligations of or obligations guaranteed by the United States of America.

(2) Any bond, debenture, note, participation certificate or other similar obligation issued by any one or combination of the following agencies: Government National Mortgage Corporation, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, the Student Loan Marketing Association and Export-Import Bank of the United States.

(3) Any bond, debenture, note, participation certificate or other similar obligation issued by the Federal National Mortgage Corporation to the extent such obligations are guaranteed by the Government National Mortgage Corporation or issued by any other Federal agency and backed by the full faith and credit of the United States of America.

(4) Deposits in interest-bearing time or demand deposits, or certificates of deposit, fully insured by the Federal Deposit Insurance Corporation, or its successors, or the Federal Savings and Loan Insurance Corporation, or its successor, or fully secured by any of the obligations described above to the extent not so insured.

(5) Repurchase agreements relating to, or investment agreements secured by or providing for the acquisition of and, if applicable, resale of, obligations described in paragraphs (1) through (4) or obligations of Federal Home Loan Mortgage Corporation or Federal National Mortgage Association, with:

(i) banks or trust companies (which may include any banking entity or depository);

(ii) brokers or broker-dealers registered under the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. §§ 78a-78jj) acceptable to the authority; or



(iii) insurance companies rated A+ or better by Best's having a net capital and surplus of at least \$25,000,000 or certificates of deposit with such banks or trust companies fully secured as to principal and accrued interest by obligations described in paragraphs (1) through (4) deposited with or subject to the control of the authority.

(6) Money market deposit accounts of banks or trust companies having a net capital and surplus of at least \$25,000,000 (which may include any banking entity or depository).

(7) The description of authorized investments as set forth herein in paragraphs (5) and (6) shall only be met if the agreements referenced therein provide for the repayment of the principal amount invested at an amount not less than that so invested. Whenever security is required as set forth herein in paragraphs (4) through (6), such security shall be deposited with the treasurer of the authority or be held by a trustee or agent satisfactory to the authority. Moneys of the authority shall be paid out on the warrant or other order of the chairman of the authority or of such other person or persons as the authority may authorize to execute such warrants or orders.

(e) Annual report to be filed; annual audits.—Every authority shall file an annual report with the Department of Insurance. The authority shall have its books, accounts and records audited annually in accordance with generally accepted auditing standards by an independent auditor who shall be a certified public accountant or competent public accountant, and a copy of his audit report shall be attached to and be made a part of the aforesaid annual report. A concise financial statement shall be published annually in the Pennsylvania Bulletin. The Philadelphia Automobile Insurance Authority will submit detailed information on claims, premiums, investment income and losses to the Department of Insurance in a computerized format so that the department may better represent the interests of policyholders in reviewing rate requests.

§ 1808. Additional Commonwealth pledge.

The Commonwealth does hereby pledge to and agree with any person who, contracts an authority created pursuant to this chapter, that the Commonwealth will not limit or alter the rights and powers hereby vested in the authority or otherwise created by this chapter in any manner which impairs the obligations of the authority until all such obligations of the authority under such lease or sublease are fully met and discharged.

§ 1809. Exemption from taxation.

The effectuation of the authorized purposes of authorities created under this chapter shall and will be in all respects for the benefit of the people of this Commonwealth, for the increase of their commerce and prosperity and for the improvement of their health and living conditions; and, since authorities will, as public instrumentalities of the Commonwealth, be performing essential governmental functions in effectuating such purposes, such authorities shall not be required to pay any taxes or assessments upon any insurance products, or any property acquired or used or permitted to be used by them.

Section 10. The sum of \$5,000,000, or as much thereof as may be necessary, is hereby appropriated to the Insurance Department to carry out the provisions under section 9 (Chapter 18).

Amend Sec. 9, page 11, line 7, by striking out "9" and inserting

11

Amend Sec. 10, page 11, line 11, by striking out "10" and inserting

12

Amend Sec. 10, page 11, line 16, by striking out "and 9" and inserting

, 9, 10, 11 and 12

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

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Carn, on the amendment.

Mr. CARN. Thank you, Mr. Speaker.

If this amendment becomes law, each of our constituents' insurance premiums should decrease.

If you recall, it was after October of 1984 that Pennsylvanians were required to purchase uninsured motorist coverage. Before 1984, this was not mandatory. The perception of our ever-increasing number of uninsured and underinsured drivers compelled this legislature to vote to make mandatory the purchase of uninsured motorist coverage. How much is this coverage costing you and your constituents?

It is true that over 50 percent of Philadelphia drivers are uninsured because of unavailable and unaffordable auto insurance coverage. It is also true that these Philadelphians make up a fair share of the 20 to 25 percent of uninsured drivers reported statewide. If this amendment becomes law, the drivers of Philadelphia will have an optional source that will make auto insurance available and affordable, thus eliminating the barriers preventing Philadelphians from acquiring the needed auto insurance. This available and affordable insurance would substantially decrease the number of uninsured drivers in the Commonwealth, thus decreasing the rate which uninsured motorist coverage should cost you and your constituents.

If this amendment becomes law, affordable auto insurance coverage will be made available to Philadelphians by reducing mandatory coverage for those who choose to participate in this demonstration auto plan. It will not be mandatory to purchase wage-loss benefits, funeral benefits, personal injury coverage, uninsured/underinsured coverage. Mandatory coverage will be limited to bodily injury liability and property damage liability. Thus, the cost for purchasing mandatory coverage would be substantially decreased under this demonstration plan.

Yes, I call this a demonstration plan, because if this amendment becomes law, we will be able to put in place a true and independent data base controlled by the Insurance Department that would provide factual statistics relating to the auto insurance of Philadelphia drivers. It would provide a means to find out what the real impact would be if a threshold was law.

This amendment proposes to institute a \$10,000 threshold on the participants of this demonstration plan. That means that persons cannot file suit unless their medical bills surpass \$10,000. Presently it is reported that 90 percent of all claims are \$5,000 or less. It is also being reported that Philadelphians file three to four times more claims than the rest of the State. The threshold will have a significant effect in decreasing the number of claims filed.

If this amendment becomes law, this demonstration plan will institute a fraud control system, health care cost containment processes with a peer review mechanism, antitheft and antivandalism techniques and devices, as well as other activ-

ities and programs to help control the cost of auto insurance coverage.

If this amendment becomes law, we will be appropriating \$5 million towards a real and controllable effort to get at what some feel is the root of the problem, a far cry less than the \$200- to \$270-million unfunded liability that this legislature voted to create and we now face here today as we debate the CAT Fund saga.

If this amendment becomes law, this government will put in place a plan that could ultimately decrease auto insurance rates statewide. I ask for your positive consideration and vote. Thank you, Mr. Speaker.

The SPEAKER. On the question, the Chair recognizes the gentleman from Somerset, Mr. Lloyd.

Mr. LLOYD. Thank you, Mr. Speaker.

Mr. Speaker, the gentleman has very eloquently talked on the floor and in committee and in caucus about the need to do something about the astronomical rates being charged in Philadelphia. The gentleman has proposed an idea which I think merits considerable study. He wants to set up a government-run plan, and he has one thing in there that I would like to apply across the State, and that is a \$10,000 threshold on lawsuits.

He wants to take \$5 million out of the General Fund to pay for this, and I think that that may be a problem, but the bottom line is, Mr. Speaker, that this is not the time that we ought to be considering this amendment. It deserves serious consideration. We are going to be debating overall auto insurance reform. We are going to have an opportunity to consider these kinds of things. If we put in this amendment, we are going to be taking money out of the General Fund, we are going to be setting up a government-run insurance system, and we are going to be giving the Senate all the reason in the world not to deal with HB 105. And regardless of whatever else you think, something must be done on the question to replace the Catastrophic Loss Trust Fund.

So at this time and on this day, Mr. Speaker, I would ask that we oppose the amendment.

The SPEAKER. On the question, the Chair recognizes the gentleman from Philadelphia, Mr. Carn, for the second time.

Mr. CARN. Thank you, Mr. Speaker.

I beg to differ with my colleague, Mr. Lloyd. This problem of the CAT Fund is a problem that Philadelphians cannot even face since we are not even able to acquire the minimum required coverage.

This bill would create a demonstration plan. It does not change anything statewide, but what it will do is make available auto insurance coverage to the residents of the city of Philadelphia, thus decreasing the cost for uninsured coverage for the rest of the State and your constituents.

So I beg and ask you for positive consideration and a positive vote on this amendment at this time.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

YEAS—42

Acosta	Flick	McCall	Saurman
Belardi	Fox	Maiale	Snyder, D. W.
Bishop	George	Oliver	Taylor, J.
Carn	Godshall	Perzel	Thomas
Cawley	Harper	Pressmann	Tigue
Clark, B. D.	Howlett	Preston	Trello
Cohen	Hughes	Richardson	Trich
DeWeese	James	Rieger	Weston
Dombrowski	Josephs	Robinson	Williams
Donatucci	Kosinski	Roebuck	Wright, R. C.
Evans	Linton		

NAYS—151

Adolph	Dietterick	Langtry	Reber
Allen	Dininni	Lashinger	Reinard
Angstadt	Distler	Laughlin	Ritter
Argall	Dorr	Lee	Robbins
Barley	Durham	Leh	Rudy
Battisto	Fairchild	Lescovitz	Ryan
Belfanti	Farmer	Levdansky	Rybak
Billow	Fleagle	Lloyd	Saloom
Black	Foster	Lucyk	Scheetz
Blaum	Freeman	McHale	Schuler
Bortner	Freind	McNally	Scrimenti
Bowley	Gallen	McVerry	Semmel
Boyes	Gannon	Maine	Serafini
Brandt	Geist	Markosek	Smith, B.
Broujos	Gigliotti	Marsico	Smith, S. H.
Bunt	Gladeck	Mayernik	Snyder, G.
Burd	Gruitza	Melio	Stairs
Burns	Gruppo	Merry	Steighner
Bush	Hagarty	Michlovic	Strish
Caltagirone	Haluska	Micozzie	Strittmatter
Cappabianca	Hasay	Miller	Stuban
Carlson	Hayden	Moehlmann	Tangretti
Cessar	Hayes	Morris	Taylor, F.
Chadwick	Heckler	Mowery	Telek
Civera	Herman	Mrkonic	Van Horne
Clark, D. F.	Hershey	Murphy	Veon
Clark, J. H.	Hess	Nahill	Vroon
Clymer	Itkin	Nailor	Wambach
Colafrilla	Jackson	O'Brien	Wass
Colaizzo	Jadlowiec	O'Donnell	Wilson
Cole	Jarolin	Petrarca	Wogan
Cornell	Johnson	Petrone	Wozniak
Corrigan	Kaiser	Phillips	Wright, D. R.
Cowell	Kasunic	Piccola	Wright, J. L.
Coy	Kenney	Pievsky	Yandrisevits
DeLuca	Kondrich	Pistella	
Daley	Kukovich	Pitts	Manderino,
Davies	LaGrotta	Raymond	Speaker
Dempsey			

NOT VOTING—2

Staback Taylor, E. Z.

EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

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

Bill as amended was agreed to.

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

The question is, shall the bill pass finally?

The Chair recognizes the minority leader.

Mr. RYAN. Mr. Speaker, speaking for myself, I think this HB 105 should be defeated. I frankly do not see that it is doing a whole lot of good. It is once again creating a CAT Fund - something that most of us pledged to get rid of not too long ago, at least back in around the November days. I think if the Freind amendment, which was almost treated on a bipartisan basis, if that amendment had gone in, perhaps the bill would have been all right, but right now I think all we are doing is creating another problem that a few years down the line is going to come back to haunt us when we again realize that \$28 is not enough, the same way \$5 and \$8 was not enough, to fund the catastrophic losses and we find ourselves in the position we are in now. This time, though, what we are doing is even more devious if Mr. Lloyd would be successful. Instead of dropping the financial burden on those of us who created that problem, the legislature, we are dropping that burden on the private insurance industry, and I think that is wrong.

I would urge that this bill be defeated in its present condition.

The SPEAKER. The Chair recognizes the gentleman from Somerset, Mr. Lloyd.

Mr. LLOYD. Thank you, Mr. Speaker.

Mr. Speaker, we are confronted with a situation in which on March 1 fewer than 50 percent of the motorists in this State will be able to buy catastrophic coverage at any price. I think everybody recognizes that the Senate is likely to have a view of this situation which may be somewhat different from ours, but the only way we can begin to address that issue is to put a bill in the State Senate. The only way that we can assure that this coverage is available is to mandate that it be provided. We had last year consensus on both sides of the aisle that this kind of coverage ought to be available. We had at one point in time voted for this legislation, and I suggest that we need to put a bill in the State Senate today so that we can begin to solve this problem and so that people who want to have this coverage may buy it.

For that reason, Mr. Speaker, I hope that people will vote for the bill. Thank you.

The SPEAKER. The Chair recognizes the gentleman from York, Mr. Snyder, on the question.

Mr. G. M. SNYDER. Thank you, Mr. Speaker.

Would the gentleman, Representative Lloyd, stand for a brief period of interrogation?

The SPEAKER. The gentleman indicates that he will, and Mr. Snyder may proceed.

Mr. G. M. SNYDER. Mr. Speaker, I call to your attention page 8, subparagraph (c), line 4. For purposes of the legislative record, could you explain to me what is your intention in that provision?

Mr. LLOYD. The rate filing for the pool would be conducted in accordance with that section under the Casualty and

Surety Rate Regulatory Act. There would be a requirement that no rate increase could go into effect until adjudication if that rate increase had been set down for a hearing. Discounting of the loss reserves would be authorized when they are actuarially sound. The rates would be required to be actuarially sound. Under no circumstances could other insurance coverage have an inflated rate to subsidize the pool. And finally, in establishing a rate under this plan, the pool would be permitted to request that there be something other than a uniform statewide rate, whether that is varying the price based on a safe driving record, on miles driven, on geography, but that would have to be actuarially sound.

Mr. G. M. SNYDER. Mr. Speaker, let me paraphrase and see if I am getting this correctly then.

What you are saying is that even though the section speaks in the term of "a rate," nonetheless, it is your intention that if there is an actuarial basis for doing so, the pool that is created would be able to in effect submit rates that would differ for the same coverage, depending upon the variables throughout different territories in Pennsylvania. Is that correct?

Mr. LLOYD. Yes.

Mr. G. M. SNYDER. So there could actually be more than 1 rate and perhaps as many as 60 rates for this particular coverage.

Mr. LLOYD. Yes, if they are actuarially sound.

Mr. G. M. SNYDER. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Berks, Representative Leh.

Mr. LEH. Mr. Speaker, may I speak on the bill?

The SPEAKER. You are in order to speak on the bill on final passage.

Mr. LEH. Mr. Speaker, last year in a newsletter I did a questionnaire on the CAT Fund. I asked my constituents how they felt about the CAT Fund and how they felt about abolishing the CAT Fund. I received to that questionnaire over 5,000 responses. From those 5,000 responses, 2 were in favor of keeping the CAT Fund; all the rest wanted it abolished. Now, that is not the point in question, though. The point that I want to make is the people that contacted me, those 5,000, did not complain about the \$24. They did not even complain about the \$5. They were not concerned about that. They were complaining because they did not want to be told what to buy, when to buy it, and what they needed. They wanted to be responsible, self-governing people.

I represent an area that is a cross section of Pennsylvania. It is an area probably much like most people throughout this House represent. I think they made it quite clear to me what their feelings were. They did not want a CAT Fund run by the State. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Somerset, Mr. Lloyd.

Mr. LLOYD. Mr. Speaker, I cannot let that last reference pass without a correction.

No matter how many times opponents of this bill want to call this the CAT Fund, it is not. The CAT Fund was operated

by the State. This legislation creates a pool run by the insurance industry. The CAT Fund required people to buy coverage. This legislation does not require anybody to buy coverage if he does not want to. This legislation is not a re-creation of the CAT Fund. The CAT Fund was abolished. This legislation assures that there will be an available and affordable policy for those people who want to buy it. Those people in anybody's district who do not want to buy it do not have to. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Delaware, Mr. Gannon, on the question.

Mr. GANNON. Thank you, Mr. Speaker.

Mr. Speaker, I just wanted to comment on the argument made by the gentleman, Mr. Lloyd, a little earlier when he said, you know, come on, fellows; vote for this bill, and let us get it over to the Senate so they can deal with this issue. Mr. Speaker, as far as I can tell, the Senate has every right to address this issue on its own, and every Senator, like every member of the House of Representatives, has the right to introduce legislation dealing with this issue. So that argument begs the question, Mr. Speaker. We do not have to send a thing over to the Senate, and one thing we should not send over to the Senate is this bill, because I think that will give them the wrong message. The Senate has every right to act on this problem and to send us their work so that we can deliberate and vote on that.

But more importantly, Mr. Speaker, earlier on it was brought out that this really represents a philosophical difference between what some people have characterized as the loony left or loony liberals who say, look, folks; you are clients; you are not citizens; I will tell you what is good for you; I will tell you what you are going to do; I will dictate the terms, and then the mainstream, which I think represents most of the people or the vast majority of the people of this Commonwealth, who say, as a citizen, I want to make those decisions; I will decide what I want; I will decide how much I am going to pay for it. So I think we do have deep philosophical differences represented in this bill, Mr. Speaker. We have those that want government to dictate terms and tell us what we are going to do, and we have those that say, we are not going to treat our citizens as clients; we are going to treat them as people; we are going to let them make the decision; we are going to let them decide what they want; we are going to let them decide how much they are going to pay.

Mr. Speaker, in "Alice in Wonderland," upon question, Humpty-Dumpty said, I will decide what the words I say mean here. We have the same thing going on here. We have somebody saying, I am going to decide what these words mean. This is not a CAT Fund; this is a pool; this is something else. Well, Mr. Speaker, when you look at the bill, the bottom line is it is another government program, and the CAT Fund was a government program that created such a mess, and we still have not dug ourselves completely out of it.

Mr. Speaker, one thing we do not need is—

## MR. ITKIN REQUESTED TO PRESIDE

The SPEAKER. Will the gentleman suspend for a moment. The Chair asks the gentleman, Mr. Itkin, to preside for the Speaker temporarily.

The gentleman may continue.

Mr. GANNON. Thank you, Mr. Speaker.

The one thing we do not need, Mr. Speaker, is another government program by whatever name you want to call it. It is a CAT Fund; it is a government program. We do not need it. The people do not want it. It should be for them to decide.

I urge a "no" vote on the bill.

## THE SPEAKER PRO TEMPORE (IVAN ITKIN) IN THE CHAIR

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the minority leader.

Mr. RYAN. Mr. Speaker, I rise really to reply to the last remarks of the gentleman, Mr. Lloyd, when he said that this is not a CAT Fund. Well, Mr. Speaker, when it looks like a CAT, it meows like a CAT, it walks like a CAT, and you are trying to give it nine lives, it is a CAT Fund, and I think we ought to defeat it the same way we should have done it the last time.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the majority leader.

Mr. O'DONNELL. Thank you, Mr. Speaker.

The gentleman, Mr. Ryan, is half right, but it is not enough to vote against the bill. When he says this is a CAT, I think to flush the argument out, what he is really saying is that there are people in Pennsylvania who are being injured and people in Pennsylvania who are uncertain as to where the funds for that injury are going to come from, about what the state of their liability is, and about all the confusion which we have participated in creating. And so he is half right. When he says this is a CAT Fund, I think, if I can flush out the argument, that our concern this afternoon is the same concern we had when we passed the CAT Fund. We have got to make provision for those kinds of people, and that is what we have got to do this afternoon, and we have got to undo the other half of the problem, which was the uncertainty that we created by making a CAT Fund and then pulling it out. We cannot continue to pull that rug out from underneath people. We have to have certainty, predictability, clarity about the status of those folks who are injured, and accordingly, this is our best shot at doing that, and we ought to pass this bill.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Berks, Mr. Gallen.

Mr. GALLEN. Mr. Speaker, 6 years ago I stood at this microphone and said, do not vote for that so-called insurance reform bill. It turned out, of course, that I was right, but you voted for it anyway.

Mr. Speaker, this is not a CAT Fund; it is a dog. If Mr. Lloyd thinks that he can set a rate at \$28 for this type of insurance, maybe he can tell us how much we should pay for roast

beef or for any other insurance coverage. Mr. Lloyd cannot set a rate, and it is ridiculous for us to presume that we can set a rate for this type of insurance coverage. It does not make sense, and you will be sitting on another bomb.

I urge a "no" vote.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,  
Shall the bill pass finally?

The SPEAKER pro tempore. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

#### YEAS—97

Acosta	Donatucci	Lucyk	Roebuck
Battisto	Evans	McCall	Rudy
Belardi	Freeman	McHale	Rybak
Belfanti	George	McNally	Saloom
Billow	Gigliotti	Maiale	Scrimenti
Bishop	Gruitza	Maine	Staback
Blaum	Haluska	Markosek	Steighner
Bortner	Harper	Mayernik	Stish
Bowley	Hayden	Melio	Stuban
Broujos	Howlett	Michlovic	Tangretti
Caltagirone	Hughes	Morris	Taylor, F.
Cappabianca	Itkin	Mrkonic	Thomas
Cawley	James	Murphy	Tigue
Clark, B. D.	Jarolin	O'Donnell	Trello
Cohen	Josephs	Oliver	Trich
Colafiglia	Kaiser	Petrarca	Van Horne
Colaizzo	Kasunic	Petrone	Veon
Cole	Kosinski	Pievsky	Wambach
Corrigan	Kukovich	Pistella	Wozniak
Cowell	LaGrotta	Pressmann	Wright, D. R.
Coy	Laughlin	Preston	Yandrisevits
DeLuca	Lescovitz	Richardson	
DeWeese	Levdansky	Rieger	Manderino, Speaker
Daley	Linton	Ritter	
Dombrowski	Lloyd	Robinson	

#### NAYS—96

Adolph	Distler	Jadlowiec	Reinard
Allen	Dorr	Johnson	Robbins
Angstadt	Durham	Kenney	Ryan
Argall	Fairchild	Kondrich	Saurman
Barley	Farmer	Langtry	Scheetz
Black	Fleagle	Lashingner	Schuler
Boyes	Flick	Lee	Semmel
Brandt	Foster	Leh	Serafini
Bunt	Fox	McVerry	Smith, B.
Burd	Freind	Marsico	Smith, S. H.
Burns	Gallen	Merry	Snyder, D. W.
Bush	Gannon	Micozzie	Snyder, G.
Carlson	Geist	Miller	Stairs
Cessar	Gladeck	Moehlmann	Strittmatter
Chadwick	Godshall	Mowery	Taylor, E. Z.
Civera	Gruppo	Nahill	Taylor, J.
Clark, D. F.	Hagarty	Nailor	Telek
Clark, J. H.	Hasay	O'Brien	Vroon
Clymer	Hayes	Perzel	Wass
Cornell	Heckler	Phillips	Weston
Davies	Herman	Piccola	Wilson
Dempsey	Hershey	Pitts	Wogan
Dietterick	Hess	Raymond	Wright, J. L.
Dininni	Jackson	Reber	Wright, R. C.

#### NOT VOTING—2

Carn	Williams
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#### EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

Less than the majority required by the Constitution having voted in the affirmative, the question was determined in the negative and the bill fell.

#### THE SPEAKER (JAMES J. MANDERINO) IN THE CHAIR

The SPEAKER. The Chair thanks the gentleman, Mr. Itkin, for presiding temporarily for the Speaker.

For what purpose does the gentleman from Montgomery, Mr. Saurman, rise?

Mr. SAURMAN. Point of personal privilege, Mr. Speaker.

The SPEAKER. State the point of personal privilege.

Mr. SAURMAN. Mr. Speaker, I just wanted to note that I counted the amendments that are dated 2/14, and there were 13 of them. That is not what we have been led to believe, that amendments would be offered in that way. I just think that in the future, for instance, if I have an amendment to offer, I would like the record to show that there has been precedent for it.

The SPEAKER. The Chair did not understand what the gentleman was asking but could not recognize a point of personal privilege in the remarks.

#### STATEMENT BY MRS. HARPER

The SPEAKER. For what purpose does the lady from Philadelphia, Mrs. Harper, rise?

Mrs. HARPER. A point of personal privilege.

The SPEAKER. State the point of personal privilege.

Mrs. HARPER. Thank you, Mr. Speaker.

I just would like to thank the House for voting for my resolution yesterday on youth at risk. A number of legislators have asked me, what does N.O.B.E.L. mean - N.O.B.E.L./WOMEN? N.O.B.E.L. means National Order of Black Elected Legislators, and I would just like to tell you that the same resolution passed 32 Houses across this country. My president, Diane Watson, from California just called to say that her resolution passed and to thank you.

The SPEAKER. The Chair thanks the lady.

#### ANNOUNCEMENT BY SPEAKER

The SPEAKER. The Chair would like to ask members of the House to restrict comments that should be under unanimous consent to a time when the calendar has been completed. The Chair will be happy to recognize on those points when the calendar has been completed.

### BILLS ON THIRD CONSIDERATION CONTINUED

The House proceeded to third consideration of **HB 75, PN 470**, entitled:

An Act reenacting and amending the act of October 4, 1978 (P. L. 883, No. 170), referred to as the "Public Official and Employee Ethics Law," adding definitions; further providing for the membership, powers and duties of the State Ethics Commission and for persons who must file statements of financial interests; reestablishing the State Ethics Commission; and making an appropriation.

On the question,

Will the House agree to the bill on third consideration?

Mr. BLAUM offered the following amendment No. A0284:

Amend Sec. 1 (Sec. 2), page 7, lines 10 and 11, by inserting a bracket before "A" in line 10 and after "children." in line 11 and inserting

A parent, spouse, child, brother or sister.

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the gentleman from Luzerne, Mr. Blaum, on the amendment.

Mr. BLAUM. Thank you, Mr. Speaker.

In the bill as originally drafted, it defined "immediate family" as one's spouse, children, brothers, sisters, mother, father, and like relatives-in-law. That is for the purposes of the definition of "conflict of interest," meaning you cannot use the authority of your office to obtain a private pecuniary benefit for any member of your immediate family. The bill as originally drafted, I repeat, defined "immediate family" as your spouse, children, brother, sister, mother, father, and like relatives-in-law. That was amended in the legislative process back to the current definition which is currently in the law as spouse and minor dependent children.

The purpose of HB 75 is to wring out as many conflicts of interest as we possibly can out of the everyday lives that we have to lead. By expanding the definition of "immediate family," we believe we can wring out an awful lot of conflicts of interest which confront us as public officials.

The amendment you have before you is our effort to compromise on the definition of "immediate family." The original language in the bill included like relatives-in-law. Our amendment 284 drops your in-laws, drops your in-laws, and just will include in the definition of "immediate family" your parents, spouse, children, brothers, or sisters.

I ask for the approval of the members of the House.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Cowell, on the amendment.

Mr. COWELL. Thank you, Mr. Speaker.

Mr. Speaker, in considering this amendment and this change from the current law, it might be useful to understand why the definition was more narrowly stated in the law as it was originally established some 10 years ago.

At that point, you might recall, those who were present at that point, the financial disclosure requirements pertaining to

the filing of a statement were going to be made applicable to public officials as well as members of the immediate family, certain kinds of information that would have to be disclosed. Subsequent court decisions ruled that the financial disclosure requirements would not be applicable to members of the immediate family. I remind you that we narrowly interpreted "immediate family" 10 years ago to restrict the kind of information that would have to be disclosed under the financial disclosure requirements. That is no longer a relevant issue because of that court decision. It is a moot point.

...So I would argue that it is now appropriate to more broadly define "immediate family" and would urge that we concur in the amendment that has been offered by Representative Blaum at this time. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Pistella.

Mr. PISTELLA. Mr. Speaker, on the amendment, interrogation of the sponsor of the amendment.

The SPEAKER. The gentleman, Mr. Blaum, indicates that he will consent to interrogation. You may proceed, Mr. Pistella.

Mr. PISTELLA. Under your proposed amendment, Mr. Speaker, am I to understand that the brothers and sisters of elected officials are considered to be members of the immediate family and that they must in turn file ethics reports?

Mr. BLAUM. Pardon me, Mr. Speaker? I cannot hear you.

Mr. PISTELLA. My question is, am I to understand from your amendment that brothers and sisters of elected officials are to file ethics reports?

Mr. BLAUM. No; not at all. And to even clarify further, what it says—and I think it is important that we all understand what it says—what it says is, you cannot use the authority of your office—meaning the authority of your office as defined in the bill—you cannot use the authority of your office, which is that which is unique to your position. What this would prevent is it would prevent you from voting on a contract. It would prohibit you from hiring a member of your immediate family on your payroll. It would prohibit you from hiring, directly yourself, your parents, spouse, children, brothers, or sisters. It does not prevent them from working in government in other fields. It does not prevent them from conducting business with government agencies. What it says is you cannot use the influence, the power of your office, the authority of your office, your vote, or your direct ability over hiring and firing—that is it—to in any way obtain a private pecuniary benefit for those people defined in this amendment.

Mr. PISTELLA. The confusion was the private-pecuniary-benefit portion of your explanation earlier, which served the point of confusion. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Washington County, Mr. Lescovitz, on the amendment.

Mr. LESCOVITZ. Thank you, Mr. Speaker.

Would Mr. Blaum stand for interrogation?

The SPEAKER. The gentleman, Mr. Blaum, has indicated he will consent to interrogation. You may proceed.

Mr. LESCOVITZ. Thank you, Mr. Speaker.

Mr. Speaker, your definition of "immediate family" then is expanded from something more than what the IRS (Internal Revenue Service) actually rules as "immediate family." Is that correct?

Mr. BLAUM. Our definition of "immediate family" is similar to other definitions of "immediate family" found in law. In HB 75 as originally drafted, we included parents, spouse, children, brothers, sisters, and like relatives-in-law. In my amendment I have dropped the in-laws in an effort to obtain some degree of compromise, so that we could have a strong definition of "immediate family" and, once again, to wring out as many possibilities of conflict of interest which confront us on a day-to-day basis.

Mr. LESCOVITZ. But, Mr. Speaker, is it still broader than what the IRS rules as "immediate family"? I know last year under the Senate version of the bill they limited "immediate family" to whatever the Internal Revenue Service designated as "immediate family."

Mr. BLAUM. What the Senate did on November 30 I think is a perfect example of what we do not want to do here today. What the Senate did was they said that the people that you use for deductions on your tax form, meaning the people that live inside your home, that is who would be covered by the definition of "immediate family." That has nothing to do with attempting to limit the incidents of conflict of interest that we, as public officials, face. The question is, should you be able to use the direct power of your office, meaning the votes we cast, or our direct ability and power, however limited it may be, over hiring and firing to benefit any of these people? That is the question. It has nothing to do with paying taxes, and that smokescreen which was created by the Senate on November 30 is totally inappropriate to what we are discussing here today.

Mr. LESCOVITZ. Okay. Mr. Speaker, one more question then, and that brings me to a point which you mentioned just a few seconds ago relating to helping someone who is an immediate family member in getting a job. Under this legislation and the definition you have of "immediate family," now are we going to be prohibited from trying to influence someone by writing a letter to the Governor's Office, writing a letter to a business person for an immediate family person in helping them obtain a position?

Mr. BLAUM. No. What it does, once again, is it would limit your power that you have to vote for or against contracts, for or against anything which might benefit a member of your immediate family. It would prohibit that. Any direct authority you have to hire or fire, it would prohibit that. Does it prohibit? Can we prohibit? Can we deny somebody their constitutional rights to work anywhere else in government? No, as long as that decision is being made by someone else, be it in government, be it in business. Are you prohibited from recommending? No. That is not the intent of the legislation; never was.

Mr. LESCOVITZ. I guess you answered my question. We are allowed to try to influence, but we cannot directly hire

someone who is an immediate family member. But we can still, by recommending in letters, still try to influence someone to hire an immediate family member.

Mr. BLAUM. The only restriction is, you cannot use your power to bring about the outcome. Can you recommend, can you talk to, can you suggest, can you ask for help? Yes. But can you hire someone on your staff who is a member of your immediate family? No. Can you vote for something which would bring about a private economic benefit? No. They are the limitations.

Mr. LESCOVITZ. Thank you, Mr. Speaker.

Just one comment, Mr. Speaker.

The SPEAKER. The gentleman has completed his questioning and is in order on the amendment.

Mr. LESCOVITZ. Yes, Mr. Speaker, I am finished with my interrogation.

Mr. Speaker, I do not have any problems with broadening the definition of "immediate family." I am just not sure Mr. Blaum's explanation concerning influencing the hiring of immediate family is correct under HB 75. But Mr. Blaum's legislative intent, I believe, is that an elected official can still try to influence a person into hiring a relative but you cannot immediately hire that individual or, by your direct action of voting, you cannot influence the hiring of an individual. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Montgomery, Mr. Reber, on the amendment.

Mr. REBER. Thank you, Mr. Speaker.

Mr. Speaker, would the sponsor of the amendment stand for interrogation?

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

Mr. REBER. Mr. Speaker, in your initial explanation of the amendment, you made reference to the "'conflict' or 'conflict of interest'" section of the bill on page 5. Is it not true that at the current time under the Pennsylvania Ethics Law, there is no definition of "conflict" or "conflict of interest" in the act?

Mr. BLAUM. I believe that is true, yes.

Mr. REBER. Now, Mr. Speaker, in your initial statements you stated that the language relative to "immediate family" is referred to in that definition section regarding "'conflict' or 'conflict of interest.'" Is that not correct?

Mr. BLAUM. Yes.

Mr. REBER. Is there any other area in HB 75 where "member of his immediate family" or "immediate family" is referred to so as to trigger the definition section that you are now modifying?

Mr. BLAUM. I do not believe so.

Mr. REBER. So then it is fair to say that if we are going to deal with the "immediate family" definition, which you are attempting to expand by this, it is an expansion of that definition and an application of that definition solely within the "'conflict' or 'conflict of interest'" definition section of the act as it may pertain to that, as you have been explaining with other individuals under interrogation.

Mr. BLAUM. Correct.

Mr. REBER. Now, changing gears a little bit.

Mr. Speaker, if a public official is desirous of making sure he does not run afoul of the "'conflict' or 'conflict of interest'" section, what conduct, if any, must he monitor of members of his immediate family?

Mr. BLAUM. As it is written into the bill, a person cannot do something which would provide an economic benefit to any member of the immediate family or a business with which they are related. I would suppose that they would, you know, be aware of possibly the businesses where their immediate families are possibly employed.

Mr. REBER. If I understand your response then, Mr. Speaker, it would seem to me that a public official or a public employee who falls within the purview of this act necessarily does not have to monitor activities of his immediate family unless he himself in some way uses the authority of his office or uses confidential information or in some other way he himself is involved in a transaction which inures to the benefit of those defined members of the immediate family. Is that a fair statement?

Mr. BLAUM. Yes; it is.

Mr. REBER. Now, Mr. Speaker, a public official or a public employee. In the "'conflict' or 'conflict of interest'" section it references "...or a business with which he or a member of his immediate family is associated." I am referring to lines 6 and 7 on page 5.

What, if anything, must a public employee or a public official do if in fact a business of a member of his immediate family in some way, shape, or form contracts with a governing body or an agency of which that individual is a member? What does he have to do to allow this process to be bona fide, legally or otherwise in compliance with the law, to carry out its various desires to a fruition end, if you will, so there is no violation?

Again, what disclosure, if any, or what recusement, if you will, must that public official and public employee do so he is not in violation of a conflict of interest under this act?

Mr. BLAUM. I think three things. I think the public official probably, if they have a vote on the matter, would have to abstain; number two, I think the public official would have to refrain from trying to influence the members of the board of commissioners, of the city council, to vote his way; and I think he would have to refrain from any trading of votes - you know, I have to abstain, you guys vote for this; the next time you have to abstain, I will vote for you. I think they are the three things that he would have to excuse himself from so as to not run afoul of the Ethics Act.

But perhaps another thing he could do would be to contact the Ethics Commission and ask for an opinion, which they would supply to him in 14 days. If he does not have 14 days, I think the three things I mentioned would suffice.

Mr. REBER. Mr. Speaker, let us assume for the sake of argument a public official, male, has a sister who is employed by General Motors. General Motors, among other individuals, is involved in a bidding contract with the governing body

of which that public official is a member. That sister is a clerk-typist for General Motors. Can that individual vote in an affirmative or a negative fashion, in essence take action, on a bid with that business which his sister is associated with in the capacity of a secretary and not run afoul of this particular act?

Mr. BLAUM. To the extent that it benefits a class of people or a class of whatever, yes. But if it would present some conflict under the terms of the law, if the person's spouse was the clerk-typist, it may very well present a problem and that person would excuse himself from the deliberations.

Mr. REBER. With all due respect, Mr. Speaker, I think we were on the same wavelength for a considerable period of this discussion; now I am starting to get a little concerned. And I do not say this with any disrespect; I say it with a concern that I see the penumbra, if you will, of arguments that might emanate from this "'conflict of interest'" section, and frankly, I think that is the reason why I find some concern to make sure each and every public official, each and every public employee, knows where he does or does not stand, especially in this associated-business practice.

Mr. Speaker, is there a necessity for that particular member of the immediate family to receive some kind of benefit in order for the conflict to arise? Or in the case of the General Motors secretary example that we talked about, it would be pretty far removed to find some benefit working its way down through the corporate ladder and the personnel rungs of a major, or for that matter a minor, corporation to some lower level employee on the scale, and I am just wondering where we draw the line or where we do not draw the line when we are plugging this in to the immediate family.

I suspect my biggest concern is, I may not even know the relationships my parent or a parent might have; I may not even know the relationships with a business my sister or brother might have; and I daresay, there are some of us may not even know the relationships our spouses might have with businesses. I am just wondering where we draw the line so we know to disclose in full conformity with the act, and any assistance you can provide to me or any other member for the benefit of all public employees and all public officials would be greatly appreciated.

...I would ask for some possible response to that under interrogation, Mr. Speaker.

Mr. BLAUM. Was that a question?

The SPEAKER. Does the gentleman understand the question?

Mr. BLAUM. No. I did not know if it was a question.

I think the language is clear and, you know, has been there for 2 years, and I understand the problems. In my district I know of a problem that it will present for me. My wife is a nurse at a hospital, and that hospital is going to be involved in some businesses. You know, what can I do? And I have to be careful and to excuse myself from anything that would be a benefit. If we do not want that in the law, then that is what amendments are for. But the way it reads right now, that is what it says.



Mr. REBER. Mr. Speaker, I think— And again continuing under interrogation, Mr. Speaker.

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

Mr. REBER. Initially, Mr. Speaker, I thought the main issue that we were concerned about was where in fact the public official or the public employee was in some way doing something affirmative, directly or indirectly, whereby he had knowledge or should have had constructive knowledge of the fact that his activities were in some way, shape, or form benefiting a member of the defined "immediate family." Is that the test? Is that the basis for the test which a public employee, public official, should be guided with?

Mr. BLAUM. The test is at the top of page 5, "conflict of interest." "Use by a public official or public employee of the authority of his office"—"authority of office" is defined in the bill—"the authority of his office or employment or any confidential information received through his holding public office or employment for the private pecuniary benefit of himself, a member of his immediate family or a business with which he or a member of his immediate family is associated." That is the test.

Mr. REBER. So the test then would be, as you say, he has to directly or indirectly take some action or refrain from taking some action that will trigger some form of benefit that you just specifically delineated in that definition which would inure to the benefit of the immediate family.

Mr. BLAUM. Yes, Mr. Speaker. He would have to use the authority of his office, and that is defined on page 3. As you know from those meetings in the summer of 1987, we tried to define "authority of office" to make it crystal clear so that you could not by accident run afoul of it. We want to specifically, as I said under questioning from Representative Lescovitz, we want it to be crystal clear: "Authority of office...The actual power provided by law, the exercise of which is necessary to the performance of duties and responsibilities unique to a particular public office or position of public employment." Unique; the actual power; not, you know, recommending, suggesting letters of recommendation, but the actual power.

Now, on a board of commissioners, a city council, a township board, that would be your vote. They also have the power to abstain. I would think in my mind that in addition to abstaining, you also better not, because the commission as a whole is one entity, you also, while you are abstaining, better not try to influence your fellow councilmen. Those are two things, and no trading of votes - those are the three things that I think would protect you.

We tried to make it very clear under the definition of "authority of office," and I think if everybody reads the definition of "authority of office" on page 3, they are going to know that it is very specific. So if you do violate this, I mean, you were working at it. We do not want anybody to do it by accident.

Mr. REBER. Thank you, Mr. Speaker.

That concludes my interrogation. I would just like to be recognized for a very brief statement.

The SPEAKER. The gentleman is in order.

Mr. REBER. Thank you, Mr. Speaker.

Mr. Speaker, I share the same identical concerns of the maker of the amendment. I also think that with his dialogue we have certainly come to a meeting of the minds as to the very specific language to which this is to be applicable. I think it is very important for the members of this body, since their actions are covering a number of public officials and public employees, to make it crystal clear as to the specificity of activities that are prohibited by them, which is construed now to be a conflict of interest, as well as activities that would be a conflict of interest as they inure to the members of the immediate family.

Thank you very much, and I would support the amendment.

The SPEAKER. The Chair recognizes the gentleman from Bucks, Mr. Heckler, on the amendment.

Mr. HECKLER. Thank you, Mr. Speaker.

Very briefly, I rise to support the Blaum amendment, I think for all of the reasons that have been very eloquently set forth in response to extensive interrogation. The prohibitions that are brought into play by the use of this expanded definition are very narrow, very specific, are not going to sneak up and blind-side anybody, and they are in fact the essential prohibitions that should apply to public conduct with regard to one's parent, spouse, child, brother, or sister.

I would urge the adoption of the amendment.

The SPEAKER. The Chair recognizes the gentleman from Lehigh County, Mr. McHale.

Mr. McHALE. Thank you, Mr. Speaker.

The SPEAKER. Will the gentleman suspend.

## FILMING PERMISSION

The SPEAKER. The Chair has granted permission to television station WPVI and John Sanks, who is in the right aisle, to film on the floor of the House for the next 10 minutes.

## CONSIDERATION OF HB 75 CONTINUED

The SPEAKER. The gentleman from Lehigh, Mr. McHale, is recognized on the amendment.

Mr. McHALE. Thank you again, Mr. Speaker.

Mr. Speaker, I rise in support of the Blaum amendment.

In my view, Mr. Speaker, the public should be secure in the belief that an elected official will use the power of his office solely to benefit the public interest and not to benefit financially any member of his family. Under the existing language contained in the bill, a public official could openly and aggressively use the power of his office to benefit his own child so long as that child was an adult and financially independent. I think most members of the public would find such exercise of authority and power unacceptable. I believe that we should find it to be unacceptable.

By contrast, a much higher standard is set and realistically set in the Blaum amendment. We say in the Blaum amendment that no public official may use his official authority or power of office to benefit his child, whether that child is an adult or a minor. I think that the public is entitled to believe—

The SPEAKER. Will the gentleman suspend.

So we do not waste an awful lot of time, I am going to say it once: The question is on the amendment. The amendment removes certain people from the bill. We are not debating the bill.

The gentleman is in order on the amendment.

Mr. McHALE. Thank you, Mr. Speaker.

I believe that with the adoption of the Blaum amendment, we will once again cover not only minor children but adult children. It guarantees the objectivity of an elected official, and I think that is the way it should be. Thank you, Mr. Speaker.

The SPEAKER. The Speaker reads the amendment as removing in-laws from the purview of the section under debate. The question is on that question and that question alone.

On that question, the question of the amendment, the Chair recognizes the gentleman from Montgomery, Mr. Gladeck.

Mr. GLADECK. Mr. Speaker, I would like to interrogate the speaker for a brief time, if I may, please.

The SPEAKER. The gentleman indicates he will be interrogated. You may proceed.

Mr. GLADECK. Mr. Speaker, I just need a brief clarification; I was not quite clear. I could not hear the debate with Representative Lescovitz.

Could you tell me if this amendment would prohibit a legislator or Senator from recommending a sibling, a stepmother, a stepfather, a stepchild, a stepbrother, or a stepsister for a position of employment in State Government?

Mr. BLAUM. Let me say this—

The SPEAKER. Will the House be at ease.

The Chair apologizes to the gentleman, Mr. McHale. His remarks were on the amendment. I was confused by the debate.

The gentleman, Mr. Blaum, may proceed with the answer to the question.

Mr. BLAUM. I would say for the purposes of this law, and I am a public official, that I am going to read it, that I would read it, to include stepmother, stepfather, stepbrother, stepsister. For my purposes, that is what I would do. To go beyond that, if that does not satisfy, again, if the situation ever occurs where you are about to convey some private pecuniary benefit on your stepbrother, you know, I think before you do that, you ask the Ethics Commission to give you an advisory opinion. In 14 days they have to provide it to you, and you solve your problem that way. But until then, until then, I would read it as if it said stepmother, stepfather, stepbrother, stepsister, step-anybody.

Mr. GLADECK. Would that mean it would be okay then for us to write a letter on behalf of these individuals for them to get a position in State Government, or would that be

against what your intent is on the amendment? That is what I am trying to clarify.

Mr. BLAUM. I think for the purposes of your question, I believe that, yes, it includes stepparents, stepbrother, stepsister, stepchild.

Mr. GLADECK. Okay.

Mr. BLAUM. But to be extra clear, the next step I would take if and when this becomes law is to ask the Ethics Commission for a ruling. Once you get that, what applies to a child applies to a stepchild, and that is, you cannot use the authority of your office as it is defined in the bill to bring about a private pecuniary benefit to that member of your immediate family.

The authority of your office, as I said earlier, is clearly defined and narrowly defined so that people do not accidentally run afoul. You could only, as a State Representative, you could only vote. If you voted a pecuniary benefit to a member of your immediate family, or in our limited ability to hire and fire here in the House, we could not do that. Can they work elsewhere? Yes. Can you ask for help, recommend, suggest that someone in your town hire your stepchild? Yes. That is not what we are trying to prevent. What we are trying to prevent is the intentional, direct conflict of interest. Other than that, you can do anything you want.

Mr. GLADECK. Okay. I appreciate your clarification. I think what you are saying is that it is okay then for a member of this legislative body under the terms of this amendment to recommend a sibling or family member, including the stepchildren or stepparents, for a position in State Government or for a position in any other governmental entity in the State of Pennsylvania so long as we personally receive no financial benefit. That is the way I read what you are saying to me. Correct me, please, if I am wrong.

Mr. BLAUM. And if you are asking my opinion of that, I would say yes, to the point, you know, except your ability to hire and fire. You could not hire your child in your district office, in your Harrisburg office, probably not in the Republican Caucus or in the House of Representatives. Can they work for a different department in State Government if somebody else does the hiring? Yes. We are not trying to prevent that.

Mr. GLADECK. We are not.

Mr. BLAUM. What we do prevent is the direct hiring by you or your direct vote, which is the particular, unique thing you do in your office, to bring about a financial gain for them. That is all.

Mr. GLADECK. Okay. But it is not quite that "all," because you brought up another point that maybe should be clarified by you since you are the maker of the amendment, and I do not oppose the amendment, but we do not actually hire district aides, for instance. They are hired by our respective leaders in our caucuses and are paid directly by them.

Mr. BLAUM. Oh, we hire them over here.

Mr. GLADECK. Pardon?

Mr. BLAUM. That was a joke.

Mr. GLADECK. So you would say—

The SPEAKER. Watch what you are joking about.

Mr. GLADECK. You would say then that they also would be precluded. In other words, your caucus could not hire a relative. I am just trying to get you to clarify your own amendment.

Mr. BLAUM. Right; that is what I would say.

Be careful, because, you know, you may have an awful lot of power to almost—almost—call the shot to have that person hired in your Harrisburg office. So while your leadership may actually do the hiring, it may come out in the course of an inquiry by the Ethics Commission that for all intents and purposes, you did the hiring.

So yes, as far as in our world here in the House of Representatives, I think it would prohibit that. But how about the mayor of your town? He would be prohibited from hiring his son or daughter, period. Does that mean his son or daughter could not work in Harrisburg for Representative Gladeck? No; that could happen. That is not what we are trying to prevent. What we are trying to prevent is that the mayor of your town could not hire his spouse, son or daughter, brother or sister.

Now, can they work elsewhere in the world of government - Federal, State, local, school district, various authorities? We cannot deny their constitutional rights to work elsewhere, but we can eliminate, again, wring out, the conflict of interest of that mayor doing it.

Mr. GLADECK. Sure. I appreciate the clarification. I think it is a good amendment, but I think it probably could have gone further.

I do not know that it is proper that we are allowed to recommend family members for positions in State Government when in fact we have a direct influence over virtually every department of State Government.

Thanks again for your clarification.

The SPEAKER. The Chair thanks the gentleman.

On the question of agreeing to the amendment, the Chair recognizes the gentleman from Delaware, Mr. Gannon.

Mr. GANNON. Mr. Speaker, I would like to interrogate the sponsor.

The SPEAKER. The gentleman indicates he will consent to interrogation. You may proceed.

Mr. GANNON. Mr. Speaker, I just picked up on the prior debate about the mayor's wife, and my question is this: Suppose a woman or a spouse worked for the present mayor of one of the towns in your legislative district, and then her husband, who was not mayor, ran for mayor and he was elected. Now, what would happen then?

Mr. BLAUM. In the year and a half that this bill has been before us, every hypothetical in the world has come before the members of the Judiciary Committee that worked on the bill, and we simply cannot anticipate every one.

If my wife works for the mayor of Wilkes-Barre and then I get elected mayor of Wilkes-Barre, what I have to do as someone who is a public official and aware of the Ethics Act, I have to ask for advice and ask for a ruling on it. I mean, that

is what I would do. You may find out, Mayor Blaum, that because you did not hire your wife, maybe she can stay; no problem. It might be the interpretation of the Ethics Commission she had better go. That was the sacrifice that you made when you ran. Maybe you should check this out before you run. Maybe you check it out and you ask for a ruling. But to have every answer that we can conceivably come up with, I am just not going to have all of them.

Mr. GANNON. Well, I do not care. I am not worried about what the Ethics Commission has to say at some time in the future; I want to hear what you have to say right here on the floor of the House. You are the prime sponsor of this bill and you are the prime sponsor of this amendment, so you should know exactly what it means and what it is going to do.

Mr. BLAUM. I know. I probably should.

Mr. GANNON. So I want to know what the legislative intent is.

Now, if that situation happens— And I think it happens very frequently, not just in a purely hypothetical situation. We have a large number of communities out there with mayors and whatever.

Mr. BLAUM. If you are asking me for my opinion, I mean—

Mr. GANNON. I am asking you for the legislative intent here.

Mr. BLAUM. As we have crafted the bill, the new mayor would not have done anything - would not have used the authority of his office - to hire that person, so maybe she can stay.

But again, you know, the Ethics Commission is a continuum. It is a seven-member board that changes every so many years. You may come up with a different ruling, but that would be my immediate answer. I do not know if it is right or not, but that is my answer.

Mr. GANNON. So it would be fair to say that the legislative intent would be—

Mr. BLAUM. It would be fair to say that there is no legislative intent for the incident that you mentioned. But my opinion is that the new mayor did not use the authority of his office to do the hiring. That person already worked there. Believe me, that Ethics Commission has had so many hundreds and hundreds of rulings, I will bet you they have already confronted this issue and it is already settled whether or not that person would run afoul of the commission's ruling.

Mr. GANNON. Well, we are putting in a new act here, so I do not know— I am not concerned about history; I am concerned about the future and the reenactment under this law. I am asking a very simple question. You drafted the amendment. I am just asking, what is your legislative intent? I am not asking a hypothetical. I am saying, look, well, it is a hypothetical, but it is a situation that I believe occurs quite frequently, and that is where the wife, the spouse, or other relative that is prohibited under the language of your amendment already works for the mayor, for example, and then her husband or that relative that falls within the prohibition of that amendment is elected to that position.

Mr. BLAUM. Okay.

Mr. GANNON. What happens? I mean, simple legislative intent.

Mr. BLAUM. And my answer, and again you may not like it, is that I do not have a legislative intent for the hypothetical that you suggest. But if I were a commission member and that case came before me, I would rule that the newly elected mayor did not use the authority of his office to hire that person. That person was hired many years ago, and in my way of thinking, she can stay.

But, you know, HB 75 right now is silent on that hypothetical. We have no legislative intent on that. But my personal opinion is that it would be perfectly fine, that the newly elected mayor did not use the authority of his office to hire that person.

Mr. GANNON. Okay. So you are telling me what is not the intent and you are saying, I do not have legislative intent. Then if you could briefly say what is the legislative intent of the language of the amendment that you are offering.

Mr. BLAUM. Legislative intent is to broaden the definition of "immediate family," which is those people that we cannot use the authority of our office—"authority of office" being defined—to bring about a private financial gain for them, and we seek to expand that to include the people that I mention in the amendment. That is not even as broad as the number of people we originally mentioned in the bill. It is an effort to compromise between what is now in the bill and what used to be in the bill.

Mr. GANNON. So earlier on you said, well, if the newly elected mayor had not used his office, which he could not have used because he was not in that office, to hire his wife as working for the mayor, then this bill is silent on that particular issue, and that in your view, the commission in all likelihood with those findings would come back and say, well, under those facts, she could stay on as an employee.

Mr. BLAUM. What if she is the solicitor, though, and each newly elected mayor gets to reappoint or appoint a new solicitor. Then the newly elected mayor probably could not reappoint her.

Mr. GANNON. That was my next question. I mean, suppose she was eligible for a promotion or a pay raise. He could not do that?

Mr. BLAUM. Yes; you are going to run into all kinds of problems.

Mr. GANNON. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Beaver County, Mr. Colafella, on the amendment.

Mr. COLAFELLA. Mr. Speaker, will you stand for interrogation, please?

The SPEAKER. The gentleman indicates he will stand for interrogation. Mr. Colafella, you may proceed.

Mr. COLAFELLA. Mr. Speaker, I would like to just ask a question about voting which will enhance or improve the financial status of let us assume your wife or your son. If any of us in here happen to have a son or a wife that teaches school and now we are asked to vote on an increase in teachers

salaries when we are asked to vote on the budget, in all likelihood, if we vote for the budget, which means that the teachers will get an increase in pay, we will be eliminated from voting on the budget according to what I hear. Is that true?

Mr. BLAUM. No, because you are supposed to look on page 5, line 7: "...'conflict of interest' does not include an action having a de minimis economic impact or which affects to the same degree a class,..." meaning you can vote on things that affect teachers because you are affecting a whole class, every teacher in Pennsylvania, even though your wife and son and daughter may all be teachers. You can vote on things which affect all kinds of professions, which we do through the Professional Licensure Committee, all professions, because we affect them as a class. But if a bill comes up to benefit Representative Blaum's daughter, you know, that is special; that is a direct conflict of interest. That cannot happen. But to benefit all teachers as a class, no problem.

Mr. COLAFELLA. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Cambria County, Mr. Haluska.

Mr. HALUSKA. Mr. Speaker, may I interrogate the prime sponsor?

The SPEAKER. The Chair recognizes the gentleman.

Mr. HALUSKA. Mr. Speaker, I would like some clarification on contractual agreements between legislators who had contracts with State facilities for a period of years, even prior to the time that they were serving in the legislature and had clearance through the Ethics Commission on those contractual agreements. What position will they take at this point?

The SPEAKER. The gentleman, Mr. Blaum, is in order to answer the question.

Mr. BLAUM. For instance? What do you mean?

Mr. HALUSKA. For instance, if a person has a public building and he rents a room to a liquor store that has been in there for 20 or 30 years, and the Ethics Commission, after he went into office, had cleared this, that in fact it is legal because the contract was made prior to his election to office, now under this ethics ruling, how will that affect that individual? Will this supersede the original interpretation of the Ethics Commission?

Mr. BLAUM. No, unless you are an employee of the Liquor Control Board. But as a House member, what authority of your office could you possibly have used? If you are the owner of the building and the LCB contracts to lease that space, you know, unless you voted to steer them in that actual direction, unless you voted to put them there, which you did not do—the Liquor Control Board would have made that decision, I assume—

Mr. HALUSKA. Well, what would have happened under privatization of liquor stores if you voted contrary to privatization? That would sort of indicate that you were supportive of retaining that entity in that facility.

Mr. BLAUM. Not at all, because again you are affecting a class. You are not just affecting your particular store in your

particular town in your particular building. That vote on privatization affects LCB stores all over the Commonwealth, and you are voting for an entire class, an entire operation, not just that one particular instance, and that is an exemption.

Mr. HALUSKA. The second issue I would like is, what happens to legislators who are currently renting their own buildings for their own particular offices as legislators?

Mr. BLAUM. Who are currently renting their offices—What?

Mr. HALUSKA. In public buildings. They have a public building, and one of those units is being rented to the legislative office.

Mr. BLAUM. Right. And the owner of the public building is a member of your immediate family?

Mr. HALUSKA. Yes.

Mr. BLAUM. In my view, you are not the one renting it. I mean, the House of Representatives is actually the one renting it. Again, I would ask for a ruling from the Ethics Commission, but from what I understand, that is not a problem.

Mr. HALUSKA. Thank you.

The SPEAKER. The Chair recognizes the majority leader on the amendment.

Mr. O'DONNELL. Mr. Speaker, I would like to interrogate the gentleman.

The SPEAKER. The gentleman indicates he will consent to interrogation. You may proceed.

Mr. O'DONNELL. Mr. Speaker, a lot of the hypotheticals and questions that have been raised have not really directed themselves at the extension of the definition of "immediate family" but are hypotheticals about what we can do and what we cannot do and what other public officials and employees can do.

For purposes of legislative intent should this ever be interpreted by the Ethics Commission or by a court, I would like to ask you a question and I would like for you to direct your attention to page 3 of the bill, the definition of "authority of office or employment": the actual power necessary to the performance of the duties and responsibilities of a legislator and unique to the public office or position of legislator. Could you tell me what is that authority?

Mr. BLAUM. In my view, everything that I have been able to think about over 18 months involves our ability to vote either in committee, on the floor of the House, as members of extra commissions and agencies, or our limited ability—some of us have a larger ability—to hire and fire.

Mr. O'DONNELL. Okay. So the answer to the question, for purposes of the record and for purposes of the understanding of the House, is that we have two issues to be concerned with: the use of our vote and the power to hire and fire. The gentleman indicated in response that some of us have a greater power to hire or fire than others. I assume that the reference—let me ask further just for clarification—is that the gentleman, Mr. Blaum, does not have the power to hire and fire under the existing budget, and the majority leader does have the power to hire and fire. So this is a different standard for me than for you.

Mr. BLAUM. Certainly the majority leader has the ability to hire more people. It can be argued that I hire the people that work in my district office—

Mr. O'DONNELL. Yes, Mr. Speaker. I am sorry. That is correct.

Mr. BLAUM. —but other than that, unfortunately, we do not have the power to hire other positions.

Mr. O'DONNELL. Thank you, Mr. Speaker.

The SPEAKER. The gentleman, Mr. Lucyk, from Schuylkill County is recognized.

Mr. LUCYK. Mr. Speaker, please clarify a point for me. I thought the amendment that you are proposing just removes in-laws from the bill.

The SPEAKER. That was the interpretation that the Speaker tried to put on the amendment.

Mr. LUCYK. Well, we are arguing here who can do what and who can do what. We are not even arguing this amendment. What everybody else is arguing about here is not even in your amendment—

The SPEAKER. Will the gentleman suspend.

The House may have been led to believe that there was a removal of only in-laws from the bill with the amendment. The Speaker indicated that that was so, and the Speaker apologized because the Speaker was in error.

The amendment does add to the category of people who are covered by this clause that has been debated a number of people - a parent, a spouse, a child, a brother, or a sister - and that being the case, the debate seems to be involving what can be done and what cannot be done with those people who are being added to the amendment, so most of the debate is in order.

The gentleman from Allegheny County, Mr. Clark, is recognized on the amendment.

Mr. B. D. CLARK. Thank you, Mr. Speaker.

A brief interrogation of the maker of the amendment.

The SPEAKER. The gentleman consents to interrogation. You may proceed.

Mr. B. D. CLARK. Mr. Speaker, you have expanded the definition to include brothers and sisters of the public official. You know, we are not all one big happy family in each family, and what I am questioning is how we are expected to know exactly what interests those brothers and sisters have. Are you telling me that it is now my job to go and talk with my brothers and sisters and find out what their interests are prior to making any future votes?

Mr. BLAUM. I would suggest that it probably is worth our while, yes, to find out.

Mr. B. D. CLARK. Well, Mr. Speaker, I would like to be recognized for some comments. I am through with my interrogation.

The SPEAKER. The gentleman has indicated that he has terminated his interrogation and wishes to speak on the bill. He is in order. The gentleman, Mr. Clark, may proceed.

Mr. B. D. CLARK. Thank you, Mr. Speaker.

For the information of the members and so they can understand where I am coming from, I have six brothers and three

sisters. Some of them I have not seen for 17 years. It raises a particularly difficult problem for me to know what I can vote on and what I cannot. What I believe Representative Blaum just did was render this provision unconstitutional. There is no court in the land that is going to hold that I am my brother's keeper or my sister's keeper, that it is my job to go out and find out what interests they may have.

Now, the first thing that will happen if this bill becomes law in this form is I am going to be required to request an opinion from this new Ethics Commission to find out just what problems I may have in making votes. And if they instruct me to go out and find out what those members of my family are involved in today, I can tell you those members of my family will not answer me, as will happen with every public official in Pennsylvania.

Now, there was a simple solution to this, and that simple solution was to define "immediate family" to be anyone residing in the public official's household, whether it be a brother or a sister or a grandmother or a grandfather, because in my mind that is your real immediate family. When we start going out and looking for people to include, we create a real problem. But I think the maker of the amendment has just rendered this provision unconstitutional, and I think the courts will rule so.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

#### YEAS—146

Adolph	Dempsey	LaGrotta	Reber
Allen	Dietterick	Langtry	Reinard
Angstadt	Dininni	Lashingier	Ritter
Argall	Distler	Lee	Robbins
Barley	Dombrowski	Leh	Robinson
Battisto	Dorr	Lescovitz	Rudy
Belardi	Durham	Levdansky	Rybak
Belfanti	Fairchild	Lloyd	Saloom
Black	Farmer	McCall	Saurman
Blaum	Fleagle	McHale	Scheetz
Bortner	Foster	McVerry	Schuler
Bowley	Fox	Maine	Scrimenti
Boyes	Freeman	Markosek	Semmel
Brandt	Gallen	Marsico	Serafini
Broujos	Gannon	Mayernik	Smith, B.
Bunt	Geist	Melio	Smith, S. H.
Burd	George	Merry	Snyder, D. W.
Burns	Gladeck	Michlovic	Snyder, G.
Bush	Gruppo	Micozzie	Staback
Caltagirone	Hagarty	Miller	Stairs
Cappabianca	Haluska	Moehlmann	Stish
Carlson	Hasay	Morris	Strittmatter
Carn	Hayes	Mowery	Stuban
Cawley	Heckler	Mrkonic	Tangretti
Cessar	Herman	Murphy	Taylor, E. Z.
Chadwick	Hershey	Nahill	Taylor, F.
Civera	Hess	Nailor	Telek
Clark, D. F.	Itkin	Perzel	Tigue
Clark, J. H.	Jackson	Petrone	Veon
Clymer	Jadlowiec	Phillips	Vroon
Cole	Jarolin	Piccola	Wass
Cornell	Johnson	Pistella	Weston
Corrigan	Josephs	Pitts	Wilson
Cowell	Kaiser	Pressmann	Wogan
DeLuca	Kasunic	Preston	Wright, J. L.
Daley	Kondrich	Raymond	Wright, R. C.

Davies

Kukovich

#### NAYS—48

Acosta	Gigliotti	McNally	Thomas
Billow	Godshall	Maiale	Trello
Bishop	Gruitza	O'Brien	Trich
Clark, B. D.	Harper	O'Donnell	Van Horne
Cohen	Hayden	Oliver	Wambach
Colaella	Howlett	Petrarca	Williams
Colaizzo	Hughes	Pievsky	Wozniak
Coy	James	Richardson	Wright, D. R.
DeWeese	Kennedy	Rieger	Yandrisevits
Donatucci	Kosinski	Roebuck	
Evans	Laughlin	Ryan	Manderino, Speaker
Flick	Linton	Steighner	
Freind	Lucyk		

#### NOT VOTING—1

Taylor, J.

#### EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

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

On the question,

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

Mr. McNALLY offered the following amendments No. A0298:

Amend Sec. 1 (Sec. 8), page 29, by inserting between lines 27 and 28

(l) As a general rule, no person shall disclose or acknowledge, to any other person, any information relating to a complaint, preliminary inquiry, investigation, hearing or petition for reconsideration which is before the commissioner. However, a person may disclose or acknowledge to another person matters held confidential in accordance with this subsection when the matters pertain to any of the following:

(1) final orders of the commission as provided in section 8(h);

(2) hearings conducted in public pursuant to section 8(g);

(3) for the purpose of seeking advice of legal counsel;

(4) filing an appeal from a commission order;

(5) communicating with the commission or its staff, in the course of a preliminary inquiry, investigation, hearing or petition for reconsideration by the commission;

(6) consulting with a law enforcement official or agency for the purpose of initiating, participating in or responding to an investigation or prosecution by the law enforcement official or agency;

(7) testifying under oath before a governmental body or a similar body of the United States of America;

(8) any information, records or proceedings relating to a complaint, preliminary inquiry, investigation, hearing or petition for reconsideration which the person is the subject of; or

(9) such other exceptions as the commission, by regulation, may direct.

Amend Sec. 1 (Sec. 8), page 29, line 28, by striking out "(L)" and inserting

(m)

On the question,

Will the House agree to the amendments?

The SPEAKER. The gentleman from Allegheny, Mr. McNally, is recognized on amendment A0298.

Mr. McNALLY. Thank you, Mr. Speaker.

I rise today in sponsorship of this amendment to HB 75. It is, I believe, a clarification of what I would consider a glaring deficiency in HB 75.

On page 26, lines 15 and 16, and then on page 27, lines 2 through 5, the bill changes the confidentiality requirements significantly. Current law states that all commission proceedings and records relating to an investigation shall be confidential. This broad statement of confidentiality has been interpreted to mean that all persons involved - the commission, its employees, the complainants, and others - are obliged to keep Ethics Commission proceedings, from the time the complaint is filed until a final order has been made, confidential subject to a penalty of a \$1,000 fine and up to 1 year in prison. This bill now deletes that language and replaces it with the following statement: "The commission shall keep information, records and proceedings relating to a preliminary inquiry confidential." And then later on page 27, lines 2 through 5 state that "The commission shall keep information, records and proceedings relating to an investigation confidential until a final determination is made...."

What the Democratic analysis written by the former chief counsel of the Judiciary Committee states on page 6 of the bill analysis is that this bill clarifies that only the commission must keep information regarding an inquiry or investigation confidential. On January 31 in front of the Judiciary Committee, it was told to me by the minority counsel for the Judiciary Committee that that was the minority view of this new language in HB 75. What that means is that a person could file a complaint with the Ethics Commission and then walk out on the Capitol steps without any pain of any penalty and in front of the cameras and the news media declare that you or another public employee or official has had an ethics complaint filed against him purely for malicious purposes.

I do not think that that is the intention of this legislature, and that is why I have introduced this particular amendment. It states that no person should disclose or acknowledge any information relating to a complaint, inquiry, investigation, or other proceeding with nine enumerated exceptions. I think that the exceptions are well considered, and I would ask for your support in this amendment. Thank you.

The SPEAKER. The Chair recognizes on the amendment the gentleman from Lehigh, Mr. McHale.

Mr. McHALE. Mr. Speaker, would the maker of the amendment stand for a brief interrogation?

Mr. McNALLY. I will.

The SPEAKER. The gentleman indicates he will stand for interrogation. Mr. McHale, you may proceed.

Mr. McHALE. Mr. Speaker, I have only had a few moments to review subsection (8) of your proposed amendment, but at least as I read that subsection, it appears that for the first time we would be granting to the target of a complaint the right to waive confidentiality if he would choose to do so. Is that a correct interpretation of subsection (8)?

Mr. McNALLY. It is. And the reason for that exception is that it has become, I think, commonplace for ethics complaints and the filing of ethics complaints to be leaked to the news media and then the subject of the complaint or proceeding before the Ethics Commission has been bound not to speak about that proceeding. I think that the person who is the subject of a complaint ought to be permitted to defend themselves in public.

Mr. McHALE. Mr. Speaker, that concludes my interrogation.

May I speak on the amendment?

The SPEAKER. The gentleman is in order.

Mr. McHALE. Mr. Speaker, I support this amendment. I have felt for some time that the very stringent confidentiality requirements were of questionable constitutionality. Let me give you a very brief hypothetical that illustrates that concern. The gentleman, Mr. McNally, touched on a similar issue a few moments ago.

It has become, I am afraid, a relatively common tactic for someone who is filing a frivolous complaint to announce that such a complaint will be filed with the Ethics Commission, to do so publicly and thereby cast an individual into public ill repute. Thereafter, the complaint is immediately filed, and the person who is the target of that complaint is bound by existing rules of confidentiality and is therefore unable to respond in a public forum to the charges that have already been leveled against him. I think that is inherently unfair, and I think that that restriction on freedom of speech is of questionable constitutionality.

Although there are provisions of this amendment that I think are surplusage, and that is, unnecessary, I believe that the heart of this amendment, as contained in subparagraph (8), is an appropriate step. If someone charges an individual with *impropriety in public*, that person who is the target of such a charge should have the right in public to respond and defend himself. To deny that right, I think, raises some severe questions of freedom of speech. Therefore, Mr. Speaker, I rise in support of Mr. McNally's amendment, and I urge an affirmative vote.

The SPEAKER. The Chair recognizes the minority leader on the amendment.

Mr. RYAN. Mr. Speaker, I agree with the gentleman who just spoke. I think this is an amendment that we should accept.

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Gannon, on the amendment.

Mr. GANNON. Mr. Speaker, I would like to interrogate the sponsor.

The SPEAKER. The sponsor of the amendment indicates he will stand for interrogation. You may proceed.

Mr. GANNON. Mr. Speaker, I just had a chance to look at the amendment, but one thing that struck me—and also in your comment on interpretation of the amendment—it says, as I read it, "...no person shall disclose or acknowledge, to any other person, any information relating to a complaint...." Now, does that necessarily mean that if, for

example, I filed a complaint against you, as I understand this amendment, I could not necessarily disclose the substance of the complaint. But would this also prohibit me from disclosing the fact that I filed a complaint?

Mr. McNALLY. It is my intent that under the language of this amendment, "information" would include the fact that a complaint has been filed, that a preliminary inquiry is in progress, or that an investigation is in progress. Any information that pertains to that entire proceeding from the time the complaint is filed until a final order has been issued is information regarding that Ethics Commission proceeding, and no person under this amendment would be permitted to disclose or acknowledge that information to another person.

Mr. GANNON. So as I understand your interpretation, it would be fair to say that the mere fact that I filed a complaint is also prohibited from disclosure under your amendment.

Mr. McNALLY. Yes, because that would be information concerning the complaint.

Mr. GANNON. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

#### YEAS—195

Acosta	Dombrowski	Lashinger	Robbins
Adolph	Donatucci	Laughlin	Robinson
Allen	Dorr	Lee	Roebuck
Angstadt	Durham	Leh	Rudy
Argall	Evans	Lescovitz	Ryan
Barley	Fairchild	Levdansky	Rybak
Battisto	Farmer	Linton	Saloom
Belardi	Fleagle	Lloyd	Saurman
Belfanti	Flick	Lucyk	Scheetz
Billow	Foster	McCall	Schuler
Bishop	Fox	McHale	Scrimenti
Black	Freeman	McNally	Semmel
Blaum	Freind	McVerry	Serafini
Bortner	Gallen	Maiale	Smith, B.
Bowley	Gannon	Maine	Smith, S. H.
Boyes	Geist	Markosek	Snyder, D. W.
Brandt	George	Marsico	Snyder, G.
Broujos	Gigliotti	Mayernik	Staback
Bunt	Gladeck	Melio	Stairs
Burd	Godshall	Merry	Steighner
Burns	Gruitza	Michlovic	Stish
Bush	Gruppo	Micozzie	Strittmatter
Caltagirone	Hagarty	Miller	Suban
Cappabianca	Haluska	Moehlmann	Tangretti
Carlson	Harper	Morris	Taylor, E. Z.
Carn	Hasay	Mowery	Taylor, F.
Cawley	Hayden	Mrkoncic	Taylor, J.
Cessar	Hayes	Murphy	Telek
Chadwick	Heckler	Nahill	Thomas
Civera	Herman	Nailor	Tigue
Clark, B. D.	Hershey	O'Brien	Trello
Clark, D. F.	Hess	O'Donnell	Trich
Clark, J. H.	Howlett	Oliver	Van Horne
Clymer	Hughes	Perzel	Veon
Cohen	Itkin	Petrarca	Vroon
Colafella	Jackson	Petrone	Wambach
Colaizzo	Jadlowiec	Phillips	Wass
Cole	James	Piccola	Weston
Cornell	Jarolin	Pievsky	Williams
Corrigan	Johnson	Pistella	Wilson
Cowell	Josephs	Pitts	Wogan
Coy	Kaiser	Pressmann	Wozniak
DeLuca	Kasunic	Preston	Wright, D. R.

DeWeese	Kenney	Raymond	Wright, J. L.
Daley	Kondrich	Reber	Wright, R. C.
Davies	Kosinski	Reinard	Yandrisevits
Dempsey	Kukovich	Richardson	
Dietterick	LaGrotta	Rieger	Manderino,
Dininni	Langtry	Ritter	Speaker
Distler			

NAYS—0

NOT VOTING—0

EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

The question was determined in the affirmative, and the amendments were agreed to.

On the question recurring,

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

Mr. McNALLY offered the following amendments No. A0299:

Amend Sec. 1 (Sec. 3), page 10, line 11, by inserting a period after "associated"

Amend Sec. 1 (Sec. 3), page 10, line 13, by striking out the period after "interest" and inserting

. This section shall not be construed to prohibit payment or receipt of witness fees provided by law, or the payment by the party upon whose behalf a witness is called and receipt by a witness, of the reasonable cost of travel and subsistence incurred and the reasonable value of time lost in attendance at any trial, hearing or proceeding, or, in the case of expert witnesses, involving a technical or professional opinion, a reasonable fee for time spent in the preparation of such opinion, in appearing or in testifying: Provided, That, should a public official or public employee be paid or receive fees for testimony concerning a matter with which the official or employee was involved in his or her capacity as a public official or public employee, the public official or public employee shall give prior notice, in writing, to the commission, any party interested in the litigation or proceeding for which the testimony is given, and the governmental body with which the public official or public employee is associated.

The aforesaid notice shall contain the following information:

- (1) the name of the public official or public employee;
- (2) the caption, docket number and court, tribunal or agency, or other means of identifying the proceeding;
- (3) a description of the testimony which the public official or public employee intends to give;
- (4) the amount of the fees which the public official or public employee expects to receive for his or her testimony;
- (5) the name and address of the person who will pay the fee; and
- (6) a statement, under oath, that to the best of the knowledge, information and belief of the public official or public employee, fees were not solicited or offered for the purpose of influencing the judgment or action of the public official or public employee.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. McNally, on amendment A0299.

Mr. McNALLY. Thank you, Mr. Speaker.

First of all, let me thank the House for its generous recognition. I appreciate it.



Someone has asked me in the process of preparing for this particular day why I would pick the ethics bill to make my maiden appearance on this floor, and really the answer to that is that I come from a family of public employees. My grandfather was an employee of the city of Pittsburgh; my uncle is a 20-year veteran of the city fire department; and my father is also a 25-year veteran of the city fire department in Pittsburgh. So the situation and the problems of public employees are very important to me, and that is why this ethics bill is important to me; that is why I have introduced this particular amendment.

This amendment, to give you some background, arises out of a fire on the south side of the city of Pittsburgh. The fire department, upon arriving at the scene of the fire, called in the department's arson investigator, who conducted an investigation and concluded that arson was the cause of the fire. Subsequently, a man was arrested and convicted for arson in that fire.

Investigators suspected the owner of the theater as paying the man to set the fire with the intention of making a fraudulent claim on his insurance company. The theater owner made a claim on the insurance company. The insurance company denied the claim, alleging the fraud of the theater owner in that he had paid this other person to set the theater on fire. The owner sued the insurance company in Federal court and he lost, because the jury in that Federal court decision found that the owner of the theater had paid someone to set his theater on fire.

Subsequently, the owner of the theater sued KDKA Television for libel. KDKA Television hired the arson investigator in that original investigation of the fire to testify as an expert witness as to the cause of the fire. Very strangely, soon after he made his expert testimony on behalf of the television station, an ethics complaint was filed against that arson investigator by the owner of the theater alleging that since the arson investigator had been paid an expert witness fee by using information that he had acquired during the course of his investigation of that fire, that he had violated the Ethics Act. Although the information the arson investigator used was confidential in the sense that it was not readily accessible to the public, what you ought to know is that all the information which the arson investigator used or could have used as a private expert could have been used by any other private expert testifying for the television station. In fact, the information that he used as an expert witness, that he was paid for in giving his expert testimony, was available to that owner of the theater who filed the ethics complaint against him.

This particular amendment has been drafted to allow that arson investigator and other public officials and public employees to receive a fee for their expert testimony. The wording of this amendment has been taken almost verbatim from the Massachusetts Ethics Code. This particular section of the Massachusetts Ethics Code was enacted in 1964, and in nearly 25 years that that particular section has been in force, the Massachusetts Ethics Commission has said that they have found no evidence of abuse and that it promotes the general

welfare and good public policy. The amendment also requires that if a public official or employee should testify as an expert and testifies on a matter in which that person was involved in his official capacity, he should provide notice to the Ethics Commission and, as well, to the other interested parties in the litigation that he was so involved and that he is receiving an expert witness fee.

Therefore, Mr. Speaker, I ask the House to support this amendment as well.

The SPEAKER. On the question, the Chair recognizes the gentleman from Luzerne, Mr. Blaum.

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, I rise to oppose the amendment.

The situation cited by Representative McNally is indeed a sad one, but the solution to that problem is not to write into law that public officials can use their office to obtain expert witness fees. This is the exact thing that the Ethics Law was created to prevent; that is, the public officials, be they elected or appointed, to keep them from using their official position - what they know because of their official position, the records that they may have in city hall because of their official position - to keep them from using that which they have because of their official position to go out and earn an expert witness fee in a lawsuit. To write this into law that it is now acceptable to do so creates all kinds of possibilities and hypotheticals, some of which we went over today, where people, because of the expectation or the hope to gain expert witness fees, could be in any way influenced. What we are out to prevent is public officials obtaining private pecuniary benefit, simply because we are public officials, above and beyond the compensation provided by law. This is a perfect example of the kind of thing we do not want to write into law because of the miscarriage of justice which might have happened in the case involving Representative McNally and the firefighter in his hometown.

Writing law based on a single case is not a good idea, it seems to me. It is not a good idea that we allow public officials now one source of money above and beyond their compensation provided by law, and while this may be a difficult situation, I ask that the House defeat the amendment.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

YEAS—54

Adolph	Dombrowski	Lescovitz	Raymond
Belardi	Durham	Lucyk	Reber
Burd	Evans	McNally	Roebuck
Caltagirone	Flick	McVerry	Ryan
Cawley	Fox	Michlovic	Semmel
Cessar	Freind	Micozzie	Stairs
Civera	Gigliotti	Moehlmann	Steighner
Clark, B. D.	Gladeck	Mrkonic	Telek
Cohen	Gruitza	Petrarca	Trello
Coiafella	Heckler	Petrone	Van Horne
Colaizzo	Johnson	Pievsky	Wright, D. R.
Coy	Kosinski	Pistella	
DeWeese	LaGrotta	Pressmann	Manderino,
Davies	Lashingner	Preston	Speaker

NAYS—138

Acosta	Donatucci	Laughlin	Rudy
Allen	Dorr	Lee	Rybak
Angstadt	Fairchild	Leh	Saloom
Argall	Farmer	Levdansky	Saurman
Barley	Fleagle	Linton	Scheetz
Battisto	Foster	Lloyd	Schuler
Belfanti	Freeman	McCall	Scrimanti
Bishop	Gallen	McHale	Serafini
Black	Gannon	Maiale	Smith, B.
Blaum	Geist	Maine	Smith, S. H.
Bortner	George	Markosek	Snyder, D. W.
Bowley	Godshall	Marsico	Snyder, G.
Boyes	Gruppo	Mayernik	Staback
Brandt	Hagarty	Melio	Stish
Broujos	Haluska	Merry	Strittmatter
Bunt	Harper	Miller	Stuban
Burns	Hasay	Morris	Tangretti
Bush	Hayden	Mowery	Taylor, E. Z.
Cappabianca	Hayes	Murphy	Taylor, F.
Carlson	Herman	Nahill	Taylor, J.
Carn	Hershey	Nailor	Thomas
Chadwick	Hess	O'Brien	Tigue
Clark, D. F.	Hughes	O'Donnell	Trich
Clark, J. H.	Itkin	Oliver	Veon
Clymer	Jackson	Perzel	Vroon
Cole	Jadlowiec	Phillips	Wambach
Cornell	James	Piccola	Wass
Corrigan	Jarolin	Pitts	Weston
Cowell	Josephs	Reinard	Williams
DeLuca	Kaiser	Richardson	Wilson
Daley	Kasunic	Rieger	Wogan
Dempsey	Kenney	Ritter	Wozniak
Dietterick	Kondrich	Robbins	Wright, J. L.
Dininni	Kukovich	Robinson	Yandrisevits
Distler	Langtry		

NOT VOTING—3

Billow	Howlett	Wright, R. C.
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EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

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

Mr. McNALLY offered the following amendments No. A0295:

Amend Sec. 2 (Sec. 10.1), page 32, line 7, by striking out "in a grossly negligent manner or"

Amend Sec. 2 (Sec. 10.1), page 32, line 9, by striking out "OR" and inserting

and

Amend Sec. 2 (Sec. 10.1), page 32, line 12, by inserting a period after "commission"

Amend Sec. 2 (Sec. 10.1), page 32, lines 12 through 15, by striking out "; and" in line 12 and all of lines 13 through 15

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. McNally, on the amendment.

Mr. McNALLY. Thank you, Mr. Speaker.

You win some and you lose some, I guess, and I have learned that early.

This HB 75 creates a new cause of action for persons who are the victims of wrongful use of the Ethics Act. According to section 10.1, liability is imposed upon a person who signs a complaint alleging a violation of the act if three elements are satisfied: the first is if the person filing the complaint acted in a grossly negligent manner or without probable cause; second, that that person publicly disclosed or caused to be disclosed that a complaint had been filed; and third, that the complaint was frivolous. This bill defines a frivolous complaint as one which was filed in a grossly negligent manner without a basis in law or fact.

This particular provision raises several problems. First, the term "in a grossly negligent manner" tends to conflict with the term "without probable cause." Negligence generally implies that a person has failed to meet a standard of care or conduct that a reasonable and prudent person would meet. Gross negligence means that the person has fallen well below that standard. The term "probable cause" is defined in this bill as having a reasonable belief in the existence of facts upon which the complaint is based and either a reasonable belief that those facts are valid under the act or that a reasonable belief was based on reliance on the advice of counsel.

Arguably, a person who signs a complaint alleging a violation of the Ethics Act without having a reasonable belief in the facts on which that complaint is based or without having a reasonable belief that those facts constitute a violation of the act is simply negligent. If a reasonable person would not believe in the existence of the facts alleged in an ethics complaint, someone who does believe in the existence of those facts is, as I said, negligent. Therefore, what this section seems to say is that wrongful use occurs if the complaint was grossly negligent or if it was negligent. Those terms are not consistent. Since someone who files a complaint without probable cause and then violates the confidentiality of the proceeding has infringed upon the rights of another person, the term "in a grossly negligent manner," as provided in this amendment, would be deleted.

The second problem involves the three lines of the third element of a wrongful use. These three lines simply repeat the requirements of the first section but change the language. These three lines require that the complaint was frivolous, which, as the bill defines, means that it was filed in a grossly negligent manner, or that there was a lack of probable cause. It is the same problem of inconsistency as I discussed before.

The argument in favor of keeping these three lines was made in the Judiciary Committee. They said that the commission must determine that the complaint was filed in a grossly negligent manner. That argument lacks merit for two reasons. First, if probable cause can arise out of simple negligence, a person is liable for wrongful use of the Ethics Act whether the commission decides that the complaint was frivolous or not; and second, the bill provides that the commission will make a determination of whether the complaint is frivolous or without probable cause at the conclusion of the preliminary

inquiry stage, and that is important, because a person is not even notified that a complaint has been filed until after the preliminary inquiry stage is completed and an investigation has begun. As a result, a person could be denied the right to sue for a wrongful use of the act without ever getting any kind of notice that their rights might be infringed. That makes this provision unconstitutional.

So for those reasons I ask your support for this amendment.

The SPEAKER. The Chair recognizes the gentleman from Bucks, Mr. Heckler, on the amendment.

Mr. HECKLER. Thank you, Mr. Speaker.

I rise to oppose this McNally amendment, and I do so for one reason. The entire section which this amendment addresses is one that we put in specifically to protect all elected officials, and I think it most commonly occurs in local races where you do have this complaint to the Ethics Commission which is made publicly 10 days before the election and there is no time for the incumbent to respond, no way for them to respond, and clearly, somebody is abusing the existence of an Ethics Act in order to try and backdoor an election. Therefore, we create a cause of action which gives that incumbent - the person who, and I think maybe an appropriate word from "Ghostbusters" is "slimed" by that kind of conduct - some kind of redress. However, we purposely attempted to make that redress limited so it could not be abused the other way.

At the time Mr. McNally originally conceived this amendment, before the Judiciary and the Appropriations Committees had dealt with this bill, he may have had a point well taken. In the version of the bill we have before us today as amended by the Appropriations Committee, the requirements have already been simplified. You have, basically like ordering from a Chinese restaurant menu, one from column A and one from column B. You either acted in a grossly negligent manner or without probable cause and for a reason other than reporting a violation of the act and the complaint was frivolous, as found by the Ethics Commission, or you publicly disclosed that complaint and the complaint was found frivolous by the Ethics Commission. What Mr. McNally would propose to remove is one part of the first column A entry, if you will, and the part which would be most protective of those who in good faith could make a complaint that was well intended but unfounded ultimately when an investigation takes place.

I would suggest that the product which was produced by the compromise in the Appropriations Committee is fair. It protects public officials, and it protects people who, with good intentions, make complaints to the commission. I would suggest that this amendment will weaken those provisions and will undercut the agreement which was reached, and I would oppose the adoption of this amendment. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Luzerne, Mr. Blaum.

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, I join Representative Heckler in opposing the amendment. I think he stated the case quite clearly in that the

wrongful use of the act is very important in order that there be some redress of grievances against someone—and Representative Heckler appropriately called them "slime"—who would misuse the Ethics Act to embarrass any public official. The wrongful use of the act is in there for that purpose. It is strong, we believe, and what the Appropriations Committee did to it was appropriate. It is the way I believe it should be, and we ask the members to defeat this amendment. Thank you very much.

The SPEAKER. The Chair recognizes for the second time the gentleman from Allegheny, Mr. McNally.

Mr. McNALLY. Thank you, Mr. Speaker.

Regardless of what the other speakers have said concerning this particular section of the bill, one thing that they cannot deny is that despite 18 months of study and thought and drafting of this bill, it has turned out to be convoluted in logic, unclear and ambiguous in language. This particular amendment seeks to clarify the language and make the language rational. This amendment, as well as other amendments that will follow, deals with and addresses deficiencies in this bill which exist in spite of 18 months of study and drafting and discussion.

There are, I believe, two reasons why these deficiencies, these problems and errors, continue to exist. The first factor which I think has influenced this bill—and it is evident from the very text of the bill itself—is that the Ethics Commission staff pursued its instinct for self-preservation. When you look at this bill, throughout it we have simply lifted the Ethics Commission regulations and inserted them into this bill without giving any thought as to the consequences. That particular problem exists right here in this part of the bill that I am seeking to amend. It exists throughout the bill, and other amendments will try to address those problems.

Whether you vote for this amendment or not, you ought to seriously consider each and every one of these amendments, because many of them, if not all, address serious problems and deficiencies and errors - convoluted logic and ambiguous language - that should not be in this bill after 18 months. Had the job been done correctly, this bill would not need this kind of amendment. Thank you, Mr. Speaker.

### PARLIAMENTARY INQUIRY

The SPEAKER. The Chair recognizes the gentleman from Northumberland, Mr. Belfanti, on the amendment.

Mr. BELFANTI. Thank you, Mr. Speaker.

I rise for a point of parliamentary inquiry.

The SPEAKER. State the point of parliamentary inquiry.

Mr. BELFANTI. My question is whether or not this amendment is divisible.

The SPEAKER. Where is the suggestion of divisibility?

Mr. BELFANTI. At the word "and" which appears on the fifth line of the amendment, ending the first part of the amendment with the word "inserting."

The SPEAKER. Are you suggesting—

Mr. BELFANTI. I am sorry. Well, my question would be whether or not it would be divisible after the word "or" on line 2 or after the word "inserting" on line 4.

The SPEAKER. After the words "inserting and"; after the word "and" on line 5.

Mr. BELFANTI. Yes, Mr. Speaker.

The SPEAKER. The House will be at ease.

The Chair recognizes Mr. Belfanti.

Mr. BELFANTI. Mr. Speaker, I withdraw my question and do not intend to ask that the amendment be divided.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

YEAS—28

Burd	Davies	McVerry	Tangretti
Caltagirone	Gruitza	Markosek	Taylor, J.
Cappabianca	Kaiser	Petrone	Trello
Clark, B. D.	Kosinski	Pistella	Trich
Clark, D. F.	Lee	Preston	Veon
Cohen	Lescovitz	Robinson	Wozniak
DeWeese	McNally	Stish	Wright, D. R.

NAYS—164

Acosta	Donatucci	LaGrotta	Ritter
Adolph	Dorr	Langtry	Robbins
Allen	Durham	Lashingier	Roebuck
Angstadt	Evans	Laughlin	Rudy
Argall	Fairchild	Leh	Ryan
Barley	Farmer	Levdansky	Rybak
Battisto	Fleagle	Linton	Saloom
Belardi	Flick	Lloyd	Saurman
Belfanti	Foster	Lucyk	Scheetz
Bishop	Fox	McCall	Schuler
Black	Freeman	McHale	Scrimenti
Blaum	Freind	Maiale	Semmel
Bortner	Gallen	Maine	Serafini
Bowley	Gannon	Marsico	Smith, B.
Boyes	Geist	Mayernik	Smith, S. H.
Brandt	George	Melio	Snyder, D. W.
Broujos	Gigliotti	Merry	Snyder, G.
Bunt	Gladeck	Michlovic	Staback
Burns	Godshall	Micozzie	Stairs
Bush	Gruppo	Miller	Steighner
Carlson	Hagarty	Moehlmann	Strittmatter
Carn	Haluska	Morris	Stuban
Cawley	Harper	Mowery	Taylor, E. Z.
Cessar	Hasay	Mrkonic	Taylor, F.
Chadwick	Hayden	Murphy	Telek
Civera	Hayes	Nahill	Thomas
Clark, J. H.	Heckler	Nailor	Tigue
Clymer	Herman	O'Brien	Van Horne
Colafella	Hershey	O'Donnell	Vroon
Colaizzo	Hess	Oliver	Wambach
Cole	Hughes	Perzel	Wass
Cornell	Itkin	Petrarca	Weston
Corrigan	Jackson	Phillips	Williams
Cowell	Jadlowiec	Piccola	Wilson
Coy	James	Pievsky	Wogan
DeLuca	Jarolin	Pitts	Wright, J. L.
Daley	Johnson	Pressmann	Wright, R. C.
Dempsey	Josephs	Raymond	Yandrisevits
Dieterick	Kasunic	Reber	
Dininni	Kenney	Reinard	
Distler	Kondrich	Rieger	
Dombrowski	Kukovich		

NOT VOTING—3

Billow	Howlett	Richardson	
		EXCUSED—7	
Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

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

Mr. O'DONNELL offered the following amendment No. A0304:

Amend Sec. 1 (Sec. 2), page 7, line 7, by inserting after "made"

to a public official or public employee

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the majority leader.

Mr. O'DONNELL. Thank you, Mr. Speaker.

This amendment clarifies the definition of "honorarium." It permits a public official to accept a speaking engagement as long as he does not personally accept the honorarium, meaning that you can go out and speak if it is for purposes of the honorarium being awarded to a charity.

The SPEAKER. The Chair recognizes the gentleman from Clarion, Mr. Wright.

Mr. D. R. WRIGHT. Will the gentleman stand for interrogation?

The SPEAKER. Will the gentleman stand for interrogation? The gentleman indicates he will. Mr. O'Donnell will consent to interrogation. You may proceed.

Mr. D. R. WRIGHT. Mr. Speaker, I do not have the bill before me. Do you have it?

The SPEAKER. The gentleman indicates he does have the bill.

Mr. D. R. WRIGHT. Thank you.

The honorarium is paid in recognition of published works, appearances, speeches, and presentations, which is not intended as consideration for the value of such services. Mr. Speaker, how is the value of such services determined? You are amending the definition of "honorarium," are you not?

Mr. O'DONNELL. Mr. Speaker, my amendment is very, very limited. I would be happy to be interrogated, but perhaps the author of the bill would be willing to be interrogated on the language that he has created. The language that I am creating is very, very narrow. All it does is insert the requirement that the honorarium that we are forbidding be an honorarium that comes to the public official, meaning that we could have an honorarium going to a charity.

Mr. D. R. WRIGHT. I understand.

Mr. O'DONNELL. I am sorry.

Mr. D. R. WRIGHT. I understand that you are amending this so that one could accept an honorarium but give it to a charity, or the honorarium could be given to a charity rather than given to the public official.

Mr. O'DONNELL. Yes; it must go to—

Mr. D. R. WRIGHT. And I am saying, are you not then amending the definition of "honorarium"?

Mr. O'DONNELL. Yes, sir.

Mr. D. R. WRIGHT. And I am confused then how you would determine whether or not an honorarium is in order, whether it is an honorarium or not. Since you are amending that definition, it seems to me that you would have some opinion about that.

Mr. O'DONNELL. Well, Mr. Speaker, I would be happy to offer you my opinion.

I think that the definition as it presently stands, which is not the subject of my amendment, the definition as it presently stands uses the word "consideration," and I think that is a word of legal import, and it implies quid pro quo. The word "consideration" in the law means anything of legal value which is given in exchange for something else. I think the folks who provided this definition—and I do not want to misinterpret it for them—were trying to distinguish two situations, one in which you are hired.

So, for example, let us say you are a lecturer, a professional lecturer, at a college, or you bill for a certain amount per hour for purposes of your speaking engagements. Then you are being hired in consideration for your services, and it is income. You declare it on your income tax form, and it comes within the purview of the Ethics Act. Now, if—

Mr. D. R. WRIGHT. It does or does not come within the purview of the Ethics Act?

Mr. O'DONNELL. It does. It is the kind of income that has to be considered here. Now, if it is not for services rendered, then it is an honorarium - so honorarium, honorific, meaning not for the service you rendered but rather in the nature of a gift, which is usually rendered, as I understand it, for ceremonial types of exercises as opposed to a business. If you have, for example, an expertise on an area of the tax law and you regularly render such expertise at a fee of \$200 an hour and somebody hires you to render that service, that is consideration for such services. If, however, somebody, as an honorarium, not in consideration for your services but rather in the nature of a gift, gives that to you for just appearing there, that is an honorarium, none of which is the subject of my amendment.

Mr. D. R. WRIGHT. But it is subject to your amendment if the person cannot accept it but rather must give it to a charity.

Mr. O'DONNELL. What I am doing, my amendment has one purpose and one effect only, and that is to permit, to clarify it so that the prohibition on honorarium will not extend to a situation in which a public official or employee appears and, by virtue of their appearance, a contribution is made to a charitable organization. That is the whole thing. So if you agree to speak in front of the Boy Scouts and they give you a \$500 gift for being there, that is an honorarium. If you agree to speak in front of an organization and they give a gift to the Boy Scouts because you came and spoke, that would be permitted under my amendment.

Mr. D. R. WRIGHT. My problem, Mr. Speaker, is determining whether or not that is an honorarium or whether or not it is a fee for services. Can you give me some guidance? I have spent a good deal of time, certainly before I came to the legislature, making speeches and making speeches for compensation. How will I be able— Strange as that may seem to folks. They will pay for almost anything. How am I to make a determination, Mr. Speaker, of whether or not that is a value—I am getting fee for a value—rather than an honor?

Mr. O'DONNELL. Mr. Speaker, I would suggest that the best guidance on the subject would probably be the United States income tax law.

If you are in the business of rendering services in the nature of speeches and that is the business that you are in and on your income tax form you indicate you receive income of that nature for that purpose, then I think that is consideration for services received. If, on the other hand, on your tax form you indicate that you are not in that business, do not take any deductions for your travel, et cetera, but rather you are prepared to pay a gift tax, then I would suggest that the Internal Revenue Code would give you ample guidance on that subject.

Mr. D. R. WRIGHT. Can you give me some guidance on how I can convey that notion to the Ethics Commission?

Mr. O'DONNELL. I am certainly not authoritative; I am not the author of the language about which I am being questioned, but I would offer for purposes of legislative intent one legislator's understanding that we ought to incorporate by reference for this purpose the Internal Revenue Code, but I will leave that to the Ethics Commission.

Mr. D. R. WRIGHT. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The gentleman from Lehigh, Mr. McHale, is recognized.

Mr. McHALE. Thank you, Mr. Speaker.

Would the gentleman, Mr. O'Donnell, stand for brief interrogation?

Mr. O'DONNELL. Yes, sir.

The SPEAKER. The gentleman indicates he will consent to interrogation. Representative McHale may proceed.

Mr. McHALE. Mr. Speaker, if this chamber does in fact adopt your amendment and a payment is made from a contributor to a charity, does the public official serve as a conduit for that payment or must the money go directly from the contributor to the charity? As an example, would your amendment authorize an elected official to give a speech to a trade association, accept a payment for \$500 for that speech, and 3 days later go to the Heart Association and make a contribution of \$500? Does it come in one hand and out the other, or in the alternative, does it merely authorize a direct payment, not through the elected official but immediately to the charity?

Mr. O'DONNELL. I did not hear the second hypothetical, but the answer is, it has to go directly.

Mr. McHALE. The answer is, it must go directly?

Mr. O'DONNELL. Directly.

Mr. McHALE. Mr. Speaker, may I speak on the amendment?

The SPEAKER. The gentleman indicates that he wishes to be recognized on the amendment and is in order at this time.

Mr. McHALE. Mr. Speaker, if this amendment authorized the elected official to personally serve as a conduit for such a contribution to a charity, I would have concerns with regard to its content. In effect, it would authorize a form of campaigning, a form of electioneering. But so long as the payment goes directly from the contributor to the charity, I have no objection to this amendment, and I would urge its passage.

The SPEAKER. The gentleman from Dauphin, Mr. Piccola, indicates he wants to be recognized on the amendment and is recognized.

Mr. PICCOLA. Mr. Speaker, would the maker of the amendment consent to interrogation?

The SPEAKER. The gentleman indicates that he will. You may proceed.

Mr. PICCOLA. Mr. Speaker, I do not see anywhere in the amendment where the limitation on payment is one to a charity. Would you explain how that is limited to a payment to a charity?

Mr. O'DONNELL. That question was just raised with me privately, Mr. Speaker, and I am almost inclined to reverse the question now. Let me answer broadly, if I may, first.

The attempt of the amendment was to clarify the definition of "honorarium" so it would be clear that people would be able to appear as long as they did not personally benefit. Now, I did not use the word "charitable" because I have myself appeared in front of groups, not taken honorarium, and had the money given to sports associations or whatever, and I am sure if I put the word "charity" in, then the next question would be, what is a charity, and the answer would be, a 501(c)(3) organization.

I cannot draft it any more tightly. If there is a concern in the House that the kind of legal expertise that has been focused on these issues this afternoon will now be turned to a manipulation of this language in such a way that someone other than the member, and yet, other than a charity, might be the beneficiary of that, I mean, if that— Let me just reverse it and abuse the parliamentary process and ask if that is the gentleman's sense. Is that the concern underlying?

Mr. PICCOLA. I think the gentleman is out of order, but that satisfies my inquiry, and in response to the majority leader, that is my concern. I do not claim to be a great legal expert, but that occurred to me that this would permit an honorarium to be paid to any entity other than the public official or the public employee, and that seems to me to create a lot of possible ways to get around the intent to prohibit honorariums to be paid.

I do not disagree with the gentleman's intent in permitting the payment to go to a charity, but I think we create a whole lot of other options under this amendment, and for that reason I would oppose it.

#### AMENDMENT WITHDRAWN

Mr. O'DONNELL. Mr. Speaker, for that reason I am going to withdraw it.

And if I may add, I am very interested at this point in expediting the debate on these matters rather than the legal niceties of the language. So perhaps good intentions, as I think I have argued to this gentleman in the past, are not enough, and if that is true, they are not enough in this case. And in an effort to move this thing forward and in recognition of the argument that has just been made, I withdraw the amendment.

The SPEAKER. The gentleman indicates that he withdraws the amendment now before the House.

On the question recurring,

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

Mr. O'DONNELL offered the following amendment No. A0293:

Amend Sec. 1 (Sec. 5), page 18, line 14, by striking out "and" and inserting a comma

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the majority leader on the amendment.

Mr. O'DONNELL. Mr. Speaker, this takes out an "and" and inserts a comma. Absolutely no legal effect whatsoever.

The SPEAKER. The Chair recognizes the minority leader.

Mr. RYAN. May I have a brief conference with the majority leader?

The SPEAKER. The House will be at ease while the leaders of this House confer.

#### REMARKS ON VOTE

The SPEAKER. While the majority and minority leaders are conferring, the gentleman from Washington, Mr. Lescovitz, is recognized, who asks that his vote on amendment 312 to HB 105 be recorded in the negative, and those remarks will be spread upon the record.

#### STATE GOVERNMENT COMMITTEE MEETING

The SPEAKER. The gentleman from Philadelphia, Mr. Oliver, has an announcement of a meeting tomorrow that he can make at this time.

Mr. OLIVER. Thank you, Mr. Speaker.

The State Government Committee will be meeting as scheduled tomorrow morning at 10 o'clock in room 39E.

The SPEAKER. The chairman of the State Government Committee announces a meeting tomorrow morning at 10 a.m. as scheduled.

#### YOUTH AND AGING COMMITTEE MEETING

The SPEAKER. The gentleman from Columbia, Mr. Stuban, chairman of the Youth and Aging Committee, is recognized at this time for the purpose of an announcement.

Mr. STUBAN. Thank you, Mr. Speaker.

The meeting that is scheduled for the Youth and Aging Committee tomorrow morning at 9:30 will be held as scheduled.

The SPEAKER. The Youth and Aging Committee meeting tomorrow morning at 9:30 will be held as scheduled.

## CONSIDERATION OF HB 75 CONTINUED

### AMENDMENT WITHDRAWN

The SPEAKER. The Chair recognizes the majority leader, who indicates at this time that the amendment before the House is being withdrawn.

On the question recurring,

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

Mr. REBER offered the following amendment No. A0320:

Amend Sec. 1 (Sec. 2), page 7, line 9, by inserting after "services"

which are nonpublic occupational or professional in nature

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the gentleman from Montgomery, Mr. Reber, on the amendment.

Mr. REBER. Thank you, Mr. Speaker.

Mr. Speaker, this amendment before us, 320, is a followup amendment replacing an earlier one circulated, amendment A272. So you can discard A272. The reason I say that is, A272 was originally agreed to by the proponents of this legislation on the other side of the aisle, and then we conferred and felt we could even more strictly and narrowly tighten this. We redrafted the language, which I am now proposing in amendment 320.

In short, Mr. Speaker, I think it is the intent under the act, as set forth in section 1, subparagraph (b), the "purpose" section, on line 30 on page 2 and lines 2 and 3 on page 3, that public officials and public employees should not be discouraged from maintaining their contacts with their community through their occupations and professions. As a result of that, Mr. Speaker, since we are now in essence outlawing, if you will, or making illegal the opportunity of taking honorariums, which I agree with—we should do away with that—I want to make it specifically clear that an individual is not prohibited under the definition on page 7, starting on line 7, in the "honorarium"-definition section, from taking the compensation or consideration for the value of services which are in fact nonpublic in his occupation or nonpublic in his profession. Therefore, the language in the amendment is adding after the word "services" on line 9, "...services which are nonpublic occupational or professional in nature."

By way of example, Mr. Speaker, I am desirous of seeing that, for instance, a Lehigh County commissioner who happens to be a lecturer or part-time professor at, say, Lehigh County Community College is not prohibited from receiving

remuneration for those speeches, appearances, presentations he might make. Similarly, I would not want to see a municipal supervisor or a municipal commissioner in Luzerne County who may be a stockbroker by profession being prohibited from taking remuneration for services he renders for a column he might write in his professional capacity for the Wilkes-Barre Times newspaper.

So in short, Mr. Speaker, I think if it is obvious that the profession and occupation, nonpublic in nature, is being carried out, that a person who does receive payment in recognition of those publications, those lectures, those speeches, et cetera, can in fact receive that remuneration.

I would ask for an affirmative vote on the amendment.

The SPEAKER. The Chair recognizes the gentleman from Luzerne, Mr. Blaum, on the amendment.

Mr. BLAUM. Thank you, Mr. Speaker.

I ask that the House approve this amendment.

While we were working on the definition of "honorarium," there was always that problem area, and I think Mr. Reber today has come up with the language which solves our problem without going too far.

We do not want public officials to be able to accept the honorariums—of course, that was our goal—from the so-called special interest groups, speaking about legislative matters before them and getting paid for it. But just banning that was not enough, because then what prohibits a public official from circumventing that by talking about the weather before a special interest group and then getting paid for that? So we could not make it that broad.

I believe that Representative Reber has found the language that allows professionals and those who have an occupation to go on with their business without breaking the intent of this bill by conducting that business or speaking before a group which would otherwise not be interested in the subject matter of that attorney who is appearing before them.

It was a very difficult job coming up with the language. We hope that we have done it, and I ask that the members approve the Reber amendment.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Cowell, on the amendment.

Mr. COWELL. Thank you, Mr. Speaker.

Would Mr. Reber consent to interrogation, please?

The SPEAKER. The gentleman indicates he will consent, and you may proceed.

Mr. COWELL. Thank you, Mr. Speaker.

Mr. Speaker, I understand the intent of the proposed amendment and the desire not to preclude individuals who come from different occupations and professions from perhaps pursuing that kind of work. I do worry a bit that every time we create exceptions, sometimes we are not quite sure who all is covered by the exceptions. For instance, in the broad category of lawyers, who are professionally trained to work with the law, would this language, if it were adopted and made part of the ethics legislation, permit lawyers to go about and to accept honoraria for the purpose of speaking about the law to any group?

Mr. REBER. I think the gentleman is aware of the First Amendment like I am, and I do not think that would prohibit freedom of speech.

Mr. COWELL. No, I am not worried about prohibiting freedom of speech; I am concerned about opening up the prospect of collecting honoraria for a limited number of professions.

Let me ask the question in a different way. If this amendment were adopted and made a part of the law, would a lawyer who was asked to appear before a group to speak about existing law in a particular area—it may well be something that the legislature recently acted upon or it might be something that has been a part of the law for some period of time, but nonetheless was asked to come and speak about the law—would that individual be, under your amendment, eligible to collect an honorarium?

Mr. REBER. I think, Mr. Speaker, it is determinative upon the particular event that he is at, the capacity in which he is appearing, the manner in which he was invited, the purpose for which he was invited, the topic, et cetera, et cetera, et cetera. I think you are getting into an area of hypothetical that could go on forever and a day.

I would submit that the distinction has to be made to allow those that are serving in capacities as public officials at the local level, the State level, to be in a position to carry on that nonpublic aspect of their work, and when it goes from the nonpublic aspect to the public-official or public-employee aspect, obviously there is an intent to preclude honoraria in that area. I do not think there should be any intent to preclude compensation intended as consideration for value of such services rendered in the profession or the occupation nonpublic in nature.

Mr. COWELL. Well, Mr. Speaker, I understand, again in the case of a lawyer, you clearly would not want to preclude an individual from providing legal advice to a client or even a group of clients and being compensated, but I am worried about opening up a loophole where somebody, some organization, that might in fact be looking for a way of circumventing the prohibitions of this law might say, you are a lawyer—not you personally but the guest who is being invited to come and speak—you are a lawyer; we want to offer you an honorarium; we will shape the subject matter so that you are eligible to collect an honorarium this evening; we will pick some broad issue pertaining to the law because you are a lawyer, and we will ask you to speak about that and then we will pay you. That is not a concern?

Mr. REBER. Mr. Speaker, I cannot answer the question any more specifically than I have already as to specific instances. I do not think that there is any way an individual who may be an attorney as well as a public official is going to be in a position to accept anything that relates to that public status, that public-official status that he surrounds himself with, during that particular presentation, appearance, or speech. If he does surround himself with that status and obviously is holding himself out at that point in time, then that would be prohibited to the extent of receiving some form of

payment; i.e., an honorarium. But if in fact he is acting in his professional or occupational capacity, that certainly would not preclude him from doing that.

Mr. COWELL. Thank you, Mr. Speaker.

Mr. Speaker, if I might comment on the amendment.

The SPEAKER. The gentleman is in order for remarks on the amendment.

Mr. COWELL. Mr. Speaker, unlike the previous two speakers who have spoken in support of this amendment, I do have some very real concerns about a loophole that might be created for some public officials who belong to certain professions or have certain occupations. I think that for those who would want to circumvent the law—And that has always been a concern about this ethics legislation, the concern that it is applied to everybody and often we do not need these laws for lots of people but we need to be concerned about those who would seek to circumvent the law, those who look for the loophole. I am afraid that this language might in fact create a loophole for those who really want to circumvent the prohibition about honoraria. In the case of attorneys or in the case of some other individuals from certain other professions, one might be able to in fact invite them to speak, want to offer them honoraria, want to make it legal, and so you consequently shape the subject matter for the evening around their profession so that you meet the requirement of this particular amendment which is being suggested for the legislation. I do not know what the answer is. That might purely be an unfounded concern as well. We could speak about all kinds of hypothetical situations.

But I do want to express a concern that we are opening up a loophole for a limited number of professions, and we might well find ourselves with this section of the law being abused if in fact we add it to the law. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Bucks, Mr. Heckler, on the amendment.

Mr. HECKLER. Thank you, Mr. Speaker.

Very briefly, notwithstanding some of the concerns that have been voiced, I would suggest that this is a very appropriate amendment, and I would simply remind the House that Mr. Reber's amendment does not remove what is still the most operative language, which is that the presentation, whatever it would be - speech or published work - that the payment for that, "...which is not intended as consideration for the value of such services." So the bottom line is still that in order to be an honorarium, the sum that is paid has to be not an arm's-length transaction, not the same kind of transaction that anyone who is in the private sector, without having the public office, could get.

In my years as a lawyer I have never had anybody offer me any money to speak about anything, except for teaching classes at a community college. I strongly doubt that there will be many situations, especially given the additional language which this amendment would insert, which are going to lend themselves to a situation where somebody can really cash in on their public position by receiving a payment for a speech under the guise of their being a lawyer. It will certainly protect



those in other professions, such as teaching, such as writing, who would legitimately engage in these activities for pay.

For that reason I think that this is an appropriate amendment and would urge its adoption. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Beaver, Mr. Colafella.

Mr. COLAFELLA. Mr. Speaker, will the maker of the amendment stand for interrogation?

The SPEAKER. The gentleman indicates he will stand for interrogation.

Mr. COLAFELLA. Mr. Speaker, let me make sure I understand this amendment. I am a former educator. If I am asked to speak at an educational conference on education, would I be able to get an honorarium as an educator?

Mr. REBER. First of all, Mr. Speaker, I think you disqualified yourself using the word "former." Okay? I think that is the key word as you prefaced the scenario.

Let me further exemplify—and I think it is a followup on the remarks of Representative Cowell in the interrogation—I have to agree wholeheartedly with Representative Heckler that the key operative language that exists in the bill at the current time without the amendment allows exactly in my mind but in a much unclearer fashion exactly what we are trying to clarify and narrowly define and tightly construe with the addition of the language that we are proposing in this amendment, because, basically, everything that is allowed with the amendment I think many people would say is also allowed without the amendment. But to avoid ambiguity, to be consistent with the "purpose" section of the act, to avoid gray areas, and most importantly, to avoid many of the scenarios that I exemplified early on with the county commissioner, with the governing-body municipal official, be it supervisor or township commissioner, those types of situations, I think where you have acting in both dual capacities and that dual capacity is moving in the nonpublic occupational sector, there is no honorarium consideration, in my mind, either under the act as drawn currently or certainly as narrowly defined by the addition of the amendment.

So I think, getting back to your specific question, you are dealing in a single capacity as a public official, I assume, since you are no longer that "former educator."

Mr. COLAFELLA. Well, let me give you another scenario. Let us say tomorrow I substitute teach and I now am an educator. Okay? Next week now I am asked to speak at an educational conference. What you are saying is that I cannot be paid as an educator, but it is okay for a lawyer to get paid for his services.

Mr. REBER. I never suggested anything about a lawyer. That was Representative Cowell. You will have to counsel with him.

Mr. COLAFELLA. Well, I know. But what I am saying is that people who have professions in here are unable to—

Mr. REBER. Mr. Speaker, I am having an extremely hard time hearing the gentleman. I really cannot respond to his questions because I cannot hear him.

The SPEAKER. Will the House please be in order.

The debate is important. The questions are pointed. Members are entitled to hear the debate, the questions and answers, and I ask you, please, to keep your conversation to a minimum and the level of the conversation at a low decibel.

The gentleman may proceed.

Mr. COLAFELLA. Mr. Speaker, let us assume that as an educator I am invited to speak to a national conference of educators and I am now an educator. Okay? Can I be paid for my services as an educator even though I am serving in this job?

Mr. REBER. If in fact they are contacting you for your professional services as an educator, I would submit that you could receive consideration for the value of those professional services rendered; yes.

Mr. COLAFELLA. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Freind.

Mr. FREIND. Thank you, Mr. Speaker.

Would the gentleman, Mr. Blaum, consent to brief interrogation?

The SPEAKER. The gentleman, Mr. Blaum, is being asked whether he will consent to interrogation.

Mr. BLAUM. Yes.

The SPEAKER. The gentleman indicates that he will. Mr. Freind may proceed.

Mr. FREIND. Thank you, Mr. Speaker.

Mr. Speaker, I can sympathize with you because you have been asked a huge number of hypotheticals today. Unfortunately, I have two more to ask you, and it is not meant to debate. I mean, I really am interested to know the answers.

Number one, under the language right now and the Reber language, let us say that a legislator is asked to be a guest lecturer at a college or to teach a course on practical politics. Can he do it and can he get paid for it?

Mr. BLAUM. Yes.

Mr. FREIND. Okay. Even though the fact that his expertise is because he is in the legislature and in politics, that is okay?

Mr. BLAUM. To my way of thinking, if you are hired to teach a course, if you are hired to do something, that is fine. But if you are just asked to give a speech and expect to be paid for it, that is not okay. The hypothetical that always comes up, if you do not mind me saying this, is, what about the legislator who writes a book?

Mr. FREIND. That is question number two.

Mr. BLAUM. And that is the great one.

Can the legislator who writes the book go and give a speech before the Insurance Federation and get paid for it? No. But can the legislator who writes a book be asked to go to California to speak to some publishing company about the contents of it, as a lecturer on either the substance of it or because of something he worked hard on and did separate and apart? That is okay. Trying to write that into law was very, very difficult. We took the definition of "honorarium" that was in the regulations of the Ethics Act.

This Representative is not about creating loopholes in this bill, and I believe that Representative Reber has found appropriate language that allows a lawyer to give a speech maybe on behalf of his client and get paid for it, but if that lawyer goes and gives a speech before the Trial Lawyers Association and they want to give him a \$1,000 honorarium, no.

The bottom line here is we can come up with all kinds of hypotheticals, but if there is private pecuniary benefit other than compensation by law, the best thing to do is you call the Ethics Commission and in 14 days they have an answer to you. If it is the wrong answer, nothing can happen to you if you go and do it; I mean, if they mislead you. That is the best thing to do to prevent any problems. And members in this General Assembly and elsewhere are on a day-to-day basis calling the Ethics Commission asking guidance for something they are involved in. That is the solution to the problem.

Mr. FREIND. Was any thought given to the fact, Mr. Speaker, that the arena we are opening up here for interpretation, the incredible confusion that can ensue, the judgment calls that can be made outweigh the benefit of cutting off honoraria, which has never been a big ticket item for State legislators anyway?

Mr. BLAUM. Which has never what?

Mr. FREIND. Been a big ticket item for State legislators.

Mr. BLAUM. When I weigh the benefit of cutting them off versus what little confusion I see— Because if there is a check involved, it should be a red flag to every one of us to either go check it out or do not take it. That to me, when there is a check involved, that is the key, that is the red flag that should make every one of us stop dead in our tracks and think. Now, does the benefit outweigh that? I absolutely believe the benefit outweighs that.

Honorarium, in my mind, is on its way if not already causing very serious, very serious problems in the Nations's Capital. We have said from the beginning when we put this in the bill that it is not a major problem in Harrisburg yet, but more and more and more people are being offered honorariums. We believe that to head it off, to cut it off at the pass, to nip this problem in the bud, we should ban them right now that we have an opportunity with the ethics bill before us.

Mr. FREIND. Well, just let me give you an example. Let us say there is a legislator who writes novels. His second novel, a novel of passion and power and pathos set in the South Jersey shore, hits big, is for 50 weeks on the New York Times bestseller list, gets made into a movie, and he is asked to go around the country and speak. Now, what you are saying— Yes, I know it is a very darn hypothetical.

Mr. BLAUM. We do not have to worry about that.

Mr. FREIND. But you did not have to say that.

Now, here is the point. Probably no problem at all if a library association in Colorado wants him, but businesses have always wanted people from different fields who accomplish things to go in and speak. I mean, a manufacturing company might want a James Michener. Clancy is one of the biggest items. You name it, they want him. Where do you draw the line? In other words, that is okay if the majority—

Mr. BLAUM. Okay. You know where you draw the line? If this book is as big a hit and you are selling books hand over fist and the TV movie is being made and you want to sit in this legislature, you go and make the speech; you just do not take the check. If there is a check involved, the red flag goes up, and you either call the Ethics Commission to find out, can I take it, or, because your movie is such a big hit you do not need the check, you turn it down. That is it. What we are saying here is, if you want to sit here, here is yet another, yet another sacrifice that has to be made.

Mr. FREIND. That is fine.

Mr. Speaker, a brief comment.

The SPEAKER. The gentleman is in order to speak on the amendment.

Mr. FREIND. I can understand what you are saying and the whole thing has been a hypothetical, but I think the problem that we are opening up to with this amendment, it becomes very, very, very subjective. Either you want to ban all honoraria or you do not. And I will tell you something: Every time we have to make a decision, to contact the Ethics Commission and wait 14 days is kind of ridiculous. It is subjugating us on personal decisions we are going to make every time you turn around. It is like being a little bit dead. It ought to be yes, we can, or no, we cannot.

I think this amendment is well intentioned, but I can see where it could do a heck of a lot more harm than good. Thank you, Mr. Speaker.

#### MR. ITKIN REQUESTED TO PRESIDE

The SPEAKER. The Chair recognizes, on the question of the amendment, the gentleman from Montgomery, Mr. Lashinger.

But before the gentleman speaks, the Chair would like to ask the Representative from Allegheny, Mr. Itkin, to preside for the Speaker.

#### THE SPEAKER PRO TEMPORE (IVAN ITKIN) IN THE CHAIR

#### CONSIDERATION OF HB 75 CONTINUED

The SPEAKER pro tempore. The gentleman from Montgomery is in order and may proceed.

Mr. LASHINGER. Thank you, Mr. Speaker.

Mr. Speaker, would the gentleman, Mr. Blaum, consent to a brief interrogation?

Mr. BLAUM. Yes.

The SPEAKER pro tempore. The gentleman agrees, and the gentleman from Montgomery is in order.

Mr. LASHINGER. Thank you, Mr. Speaker.

Mr. Speaker, I would agree with Mr. Freind's conclusions based on your answers, but I am going to give you an opportunity to rethink some of your answers to what the Reber amendment does. I am trying to help, because I think that Mr. Reber did strike not a perfect balance but a better balance here with his amendment.

One of the hypotheticals that you used was the lawyer who runs off to speak at what you called the Trial Lawyers convention and is paid \$1,000. With the Reber amendment, if that lawyer who happened to be a legislator spoke on an issue that was not the legislative process but instead was a criminal trial, a noted criminal trial that he served as defense counsel in, that would be an accepted honorarium with the Reber amendment. Is that correct?

Mr. BLAUM. Well, not to my way of thinking; no.

Mr. LASHINGER. Oh. I am confused then, Mr. Speaker. I just want to repeat that then again. Because it is unrelated to his experience - though he is a lawyer-legislator, it is unrelated to his legislative experience - he could accept the honorarium now with the Reber amendment. Is that correct, in your opinion?

Mr. BLAUM. In my opinion? No.

Mr. LASHINGER. Oh. Okay. Then I do agree with Mr. Freind.

Thank you, Mr. Speaker. That is the end of my interrogation.

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

Mr. LASHINGER. Thank you, Mr. Speaker.

Mr. Speaker, now I will change my opinion. While I still support the Reber amendment because of what I thought it did, I agree with Mr. Freind's conclusion. It was Mr. Reber's intention and my intention and that of so many others to say that you could accept an honorarium so long as it did not spring from your role as a public employee or a public official. So if you say no to Reber or to any other lawyer who attends a convention to speak on his area of expertise outside of his or her role as a legislator, then you have got to say no to Colafella and you have got to say no to Freind and you have got to say no to the insurance agent who speaks on that. Mr. Blaum, I think for legislative intent, is destroying what are the efforts of the Reber amendment.

I do not know how to conclude this, Mr. Speaker. I agree with the intent of the Reber amendment, but I am fearful that what Mr. Blaum has now put on the record destroys what Mr. Reber is attempting to accomplish, and that is to take those of us who do something outside of this profession out of that honorarium prohibition when we continue to practice our occupation separate and apart from being legislators.

So I support the Reber amendment, Mr. Speaker, but would hope that Mr. Blaum would—

I am sorry. Would Mr. Blaum consent to another interrogation?

The SPEAKER pro tempore. The gentleman says he will, and the gentleman from Montgomery is in order to ask the question.

Mr. BLAUM. My point is and why I disagree and why if I were an attorney who handled the greatest criminal case in the world and I am a Representative and the Trial Lawyers want to hear about it, in my view, if there is a check involved, the red flag goes up because, in my opinion, the reason I am being invited is because I happen to be a member of the legislature.

Now, whether or not some group often— And I believe that the professional would do himself good to get an opinion, an advisory opinion, as to whether or not he would be able to accept payment for that. I mean, I can give my opinion; you can give your opinion, Mr. Speaker; and Representative Reber can give his opinion.

I favor the amendment, and I hope that it is adopted.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Montgomery, Mr. Reber, for the second time on the amendment.

Mr. REBER. Thank you, Mr. Speaker.

Mr. Speaker, I hope every member of the body would at least give me attention for a few seconds to clarify what is my intent, my intent as the maker of the amendment, as to what is to be accomplished. I want to suggest one thing and emphasize one thing, and I did not say this at the outset, and I think it is very important to keep in mind.

You have to recognize that under current law honorariums are legal. Under the proposed bill before us, honorariums would be illegal and would be a felony conviction if someone was to engage in and be found convicted of such conduct. With that in mind, I think it is abundantly important to differentiate what is meant by payments that are made in recognition of certain activities that in fact are not illegal conduct, are not intended to be illegal conduct under this new proposed act, and more importantly, that are permissible conduct, and how far that permissible conduct can go before it would fall into a payment in the form of an illegal honorarium. Now, that is the important distinction you have to make.

I could care less about what is going on if we were not making, quote, "honorariums" now illegal. I think everyone wants to know and, more importantly, people out there in the local environs want to know what this is, if you are a public official or a public employee, and how far you can go and how far you cannot go, because you never had that problem heretofore, assuming this becomes law, because you could avoid any kind of violation by simply reporting what you were not sure at that time was remuneration as a source of income as opposed to an honorarium. Both of those are legal under current law. This makes honorariums for public service presentations, speeches, et cetera, now to be illegal hereafter.

So that is why, in my mind, I think it is abundantly important that we know where the nonpublic occupational and professional service remuneration that you receive is legal and where a person in the public sector, as a public service official or employee, is now taking an illegal honorarium. That is the sole purpose for the amendment. It is not to create any loopholes. It is not to give favorite status to any particular individual. It is simply to define what is legal conduct and hopefully define what is illegal conduct in the hereafter taking of illegal honorariums. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Allegheny, Mr. Cowell, for the second time.

Mr. COWELL. Mr. Speaker, I would just make the observation, if you have listened to what the last three speakers have had to say, they have argued with one another and they

continue to argue with each other down in that corner about the intent of this amendment. Although the three spoke in favor of the amendment, they do not agree with the interpretation and they do not agree with the application. In my judgment, it does open up a loophole, it does create potential problems, it does create the likelihood for special treatment for certain professions, and on that basis, we ought to reject the amendment, and if there continues to be a problem that needs to be addressed, we ought to find some other language that more appropriately addresses it, because we will be back here tomorrow.

But for the purposes of this evening, we ought to reject the amendment at this time. Thank you, Mr. Speaker.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

#### YEAS—77

Adolph	Dempsey	Kondrich	Reinard
Allen	Dietterick	Kosinski	Roebuck
Argall	Dininni	Lashinger	Ryan
Battisto	Evans	Laughlin	Saurman
Belardi	Farmer	Leh	Scheetz
Blaum	Fleagle	McNally	Semmel
Broujos	Fox	McVerry	Smith, S. H.
Burd	Gallen	Maiale	Snyder, D. W.
Burns	Gannon	Maine	Steighner
Caltagirone	Gladeck	Michlovic	Taylor, E. Z.
Cessar	Godshall	Micozzie	Taylor, J.
Chadwick	Hagarty	Miller	Trello
Civera	Hayden	Moehlmann	Van Horne
Clark, D. F.	Heckler	Nahill	Williams
Clark, J. H.	Herman	O'Brien	Wilson
Clymer	Hershey	Piccola	Wogan
Cohen	Jackson	Pitts	Wright, J. L.
Colafella	Josephs	Raymond	Wright, R. C.
Cornell	Kenney	Reber	Yandrisevits
Daley			

#### NAYS—115

Acosta	Fairchild	Linton	Rudy
Angstadt	Flick	Lloyd	Rybak
Barley	Foster	Lucyk	Saloom
Belfanti	Freeman	McCall	Schuler
Billow	Freind	McHale	Scrimenti
Bishop	Geist	Markosek	Serafini
Black	George	Marsico	Smith, B.
Bortner	Gigliotti	Mayernik	Snyder, G.
Bowley	Gruitza	Melio	Staback
Boyes	Gruppo	Merry	Stairs
Brandt	Haluska	Morris	Stish
Bunt	Harper	Mowery	Strittmatter
Bush	Hasay	Mrkonic	Stuban
Cappabianca	Hayes	Murphy	Tangretti
Carlson	Hess	Nailor	Taylor, F.
Carn	Hughes	O'Donnell	Telek
Cawley	Itkin	Oliver	Thomas
Clark, B. D.	Jadlowiec	Perzel	Tigue
Colaizzo	James	Petrarca	Trich
Cole	Jarolin	Phillips	Veon
Corrigan	Johnson	Pievsky	Vroon
Cowell	Kaiser	Pistella	Wambach
Coy	Kasunic	Pressmann	Wass
DeLuca	Kukovich	Preston	Weston
DeWeese	LaGrotta	Richardson	Wozniak
Davies	Langtry	Rieger	Wright, D. R.
Distler	Lee	Ritter	
Dombrowski	Lescovitz	Robbins	Manderino,
Donatucci	Leydansk	Robinson	Speaker
Dorr			

#### NOT VOTING—3

Durham	Howlett	Petrone
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EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

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

#### BILL PASSED OVER

The SPEAKER pro tempore. Without objection, the Chair will pass over the remaining amendments to HB 75 and will proceed to the supplemental calendar A.

#### ANNOUNCEMENT BY SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Before proceeding with the calendar, the Chair would like to make an announcement. For the information of the Democratic members, there will be an Appropriations Committee staff briefing on the budget for the Democratic Caucus at 9:30 a.m. in the majority caucus room.

For the information of the members, we still have several more votes to take, and the House will be in session tomorrow.

For what purpose does the gentleman from Columbia, Mr. Stuban, rise?

Mr. STUBAN. Mr. Speaker, you just made an announcement about the Appropriations Committee. That seems to be a conflict. We have scheduled the majority caucus room for 9:30 tomorrow morning.

The SPEAKER pro tempore. Well, the chairman of the Youth and Aging Committee will have to find a new location for his committee meeting.

Mr. STUBAN. It is a pretty late date to tell us to find a new room for a committee meeting. I guess we can arrange that tomorrow morning.

#### THE SPEAKER (JAMES J. MANDERINO) IN THE CHAIR

The SPEAKER. The Chair thanks the gentleman, Mr. Itkin, for presiding.

#### SUPPLEMENTAL CALENDAR A RESOLUTIONS

Mr. COLAFELLA called up **HR 18, PN 467**, entitled:

Memorializing Congress and the President of the United States to take prompt action to extend the steel Voluntary Restraint Arrangements.

On the question,  
Will the House adopt the resolution?

The SPEAKER. The Chair recognizes the gentleman from Beaver, Mr. Colafella, on the resolution.

Mr. COLAFELLA. Mr. Speaker, I ask for an affirmative vote on this resolution, which urges Congress to extend the voluntary restraint agreements for 5 more years.

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

The following roll call was recorded:

YEAS—191

Acosta	Distler	Lashingner	Ritter
Adolph	Dombrowski	Laughlin	Robbins
Allen	Donatucci	Lee	Robinson
Angstadt	Dorr	Leh	Roebuck
Argall	Evans	Lescovitz	Rudy
Barley	Fairchild	Levdansky	Ryan
Battisto	Farmer	Linton	Rybak
Belardi	Fleagle	Lloyd	Saloom
Belfanti	Flick	Lucyk	Saurman
Billow	Foster	McCall	Scheetz
Bishop	Fox	McHale	Schuler
Black	Freeman	McNally	Scrimenti
Blaum	Freind	McVerry	Semmel
Bortner	Gallen	Maiale	Serafini
Bowley	Gannon	Maine	Smith, B.
Boyes	Geist	Markosek	Smith, S. H.
Brandt	George	Marsico	Snyder, D. W.
Broujos	Gigliotti	Mayermik	Snyder, G.
Bunt	Gladeck	Melio	Staback
Burd	Godshall	Merry	Steighner
Burns	Gruitza	Michlovic	Stish
Bush	Gruppo	Micozzie	Strittmatter
Caltagirone	Hagarty	Miller	Stuban
Cappabianca	Haluska	Moehlmann	Tangretti
Carlson	Harper	Morris	Taylor, E. Z.
Carn	Hasay	Mowery	Taylor, F.
Cawley	Hayden	Mrkonic	Taylor, J.
Cessar	Hayes	Murphy	Telek
Chadwick	Heckler	Nahill	Thomas
Civera	Herman	Nailor	Tigue
Clark, B. D.	Hershey	O'Brien	Trello
Clark, D. F.	Hess	O'Donnell	Trich
Clark, J. H.	Hughes	Oliver	Van Horne
Clymer	Itkin	Perzel	Veon
Cohen	Jackson	Petrarca	Vroon
Colafella	Jadlowiec	Petrone	Wambach
Colaizzo	James	Phillips	Wass
Cole	Jarolin	Piccola	Weston
Cornell	Johnson	Pievsky	Williams
Corrigan	Josephs	Pistella	Wogan
Cowell	Kaiser	Pitts	Wozniak
Coy	Kasunic	Pressmann	Wright, D. R.
DeLuca	Kenney	Preston	Wright, J. L.
DeWeese	Kondrich	Raymond	Wright, R. C.
Daley	Kosinski	Reber	Yandrisevits
Davies	Kukovich	Reinard	
Dempsey	LaGrotta	Richardson	Manderino,
Dietterick	Langtry	Rieger	Speaker
Dininni			

NAYS—0

NOT VOTING—4

Durham	Howlett	Stairs	Wilson
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EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

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

\* \* \*

Mr. RICHARDSON called up HR 24, PN 537, entitled:

Committing the House of Representatives to celebration of February 1989 as "African American History Month."

On the question,  
Will the House adopt the resolution?

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Richardson, on HR 24.

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

Mr. Speaker, in honoring African Americans during the month of February, we are asking that this resolution that is now called up be adopted by the members of the House of Representatives, recognizing February as "African American History Month."

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

The following roll call was recorded:

YEAS—192

Acosta	Distler	Lashingner	Ritter
Adolph	Dombrowski	Laughlin	Robbins
Allen	Donatucci	Lee	Robinson
Angstadt	Dorr	Leh	Roebuck
Argall	Evans	Lescovitz	Rudy
Barley	Fairchild	Levdansky	Ryan
Battisto	Farmer	Linton	Rybak
Belardi	Fleagle	Lloyd	Saloom
Belfanti	Flick	Lucyk	Saurman
Billow	Foster	McCall	Scheetz
Bishop	Fox	McHale	Schuler
Black	Freeman	McNally	Scrimenti
Blaum	Freind	McVerry	Semmel
Bortner	Gallen	Maiale	Serafini
Bowley	Gannon	Maine	Smith, B.
Boyes	Geist	Markosek	Smith, S. H.
Brandt	George	Marsico	Snyder, D. W.
Broujos	Gigliotti	Mayermik	Snyder, G.
Bunt	Gladeck	Melio	Staback
Burd	Godshall	Merry	Stairs
Burns	Gruitza	Michlovic	Steighner
Bush	Gruppo	Micozzie	Stish
Caltagirone	Hagarty	Miller	Strittmatter
Cappabianca	Haluska	Moehlmann	Stuban
Carlson	Harper	Morris	Tangretti
Carn	Hasay	Mowery	Taylor, E. Z.
Cawley	Hayden	Mrkonic	Taylor, F.
Cessar	Hayes	Murphy	Taylor, J.
Chadwick	Heckler	Nahill	Telek
Civera	Herman	Nailor	Thomas
Clark, B. D.	Hershey	O'Brien	Tigue
Clark, D. F.	Hess	O'Donnell	Trello
Clark, J. H.	Howlett	Oliver	Trich
Clymer	Hughes	Perzel	Van Horne
Cohen	Itkin	Petrarca	Veon
Colafella	Jackson	Petrone	Wambach
Colaizzo	Jadlowiec	Phillips	Wass
Cole	James	Piccola	Weston
Cornell	Jarolin	Pievsky	Williams
Corrigan	Johnson	Pistella	Wilson
Cowell	Josephs	Pitts	Wozniak

Coy	Kaiser	Pressmann	Wright, D. R.
DeLuca	Kasunic	Preston	Wright, J. L.
DeWeese	Kenney	Raymond	Wright, R. C.
Daley	Kondrich	Reber	Yandrisevits
Davies	Kosinski	Reinard	
Dempsey	Kukovich	Richardson	Manderino,
Dietterick	LaGrotta	Rieger	Speaker
Dininni	Langtry		

NAYS—0

NOT VOTING—3

Durham	Vroon	Wogan
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EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

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

\* \* \*

Mr. DAVIES called up **HR 26, PN 538**, entitled:

Proclaiming March 1 as Saint David's Day to be observed throughout this Commonwealth.

On the question,  
Will the House adopt the resolution?

The SPEAKER. The Chair recognizes the gentleman from Berks, Mr. DAVIES, on HR 26.

Mr. DAVIES. Thank you, Mr. Speaker.

The resolution proclaims March 1 as St. David's Day to be observed throughout the Commonwealth. Thank you, Mr. Speaker.

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

The following roll call was recorded:

YEAS—194

Acosta	Distler	Lashingner	Robbins
Adolph	Dombrowski	Laughlin	Robinson
Allen	Donatucci	Lee	Roebuck
Angstadt	Dorr	Leh	Rudy
Argall	Evans	Lescovitz	Ryan
Barley	Fairchild	Levdansky	Rybak
Battisto	Farmer	Linton	Saloom
Belardi	Fleagle	Lloyd	Saurman
Belfanti	Flick	Lucyk	Scheetz
Billow	Foster	McCall	Schuler
Bishop	Fox	McHale	Scrimenti
Black	Freeman	McNally	Semmel
Blaum	Freind	McVerry	Serafini
Bortner	Gallen	Maiale	Smith, B.
Bowley	Gannon	Maine	Smith, S. H.
Boyes	Geist	Markosek	Snyder, D. W.
Brandt	George	Marsico	Snyder, G.
Broujos	Gigliotti	Mayermik	Staback
Bunt	Gladeck	Melio	Stairs
Burd	Godshall	Merry	Steighner
Burns	Gruitza	Michlovic	Stish
Bush	Gruppo	Micozzie	Strittmatter
Caltagirone	Hagarty	Miller	Stuban
Cappabianca	Haluska	Moehlmann	Tangretti
Carlson	Harper	Morris	Taylor, E. Z.
Carn	Hasay	Mowery	Taylor, F.
Cawley	Hayden	Mrkonic	Taylor, J.
Cessar	Hayes	Murphy	Telek
Chadwick	Heckler	Nahill	Thomas
Civera	Herman	Nailor	Tigue

Clark, B. D.	Hershey	O'Brien	Trello
Clark, D. F.	Hess	O'Donnell	Trich
Clark, J. H.	Howlett	Oliver	Van Horne
Clymer	Hughes	Perzel	Veon
Cohen	Itkin	Petrarca	Vroon
Colaella	Jackson	Petrone	Wambach
Colaizzo	Jadlowiec	Phillips	Wass
Cole	James	Piccola	Weston
Cornell	Jarolin	Pievsky	Williams
Corrigan	Johnson	Pistella	Wilson
Cowell	Josephs	Pitts	Wogan
Coy	Kaiser	Pressmann	Wozniak
DeLuca	Kasunic	Preston	Wright, D. R.
DeWeese	Kenney	Raymond	Wright, J. L.
Daley	Kondrich	Reber	Wright, R. C.
Davies	Kosinski	Reinard	Yandrisevits
Dempsey	Kukovich	Richardson	
Dietterick	LaGrotta	Rieger	Manderino,
Dininni	Langtry	Ritter	Speaker

NAYS—0

NOT VOTING—1

Durham

EXCUSED—7

Birmelin	Fee	Letterman	Olasz
Fargo	Gamble	Noye	

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

**REMARKS ON VOTE**

The SPEAKER. For what purpose does the gentleman from Lackawanna, Mr. Staback, rise?

Mr. STABACK. To correct the record, Mr. Speaker.

The SPEAKER. The gentleman is in order.

Mr. STABACK. On HB 105, amendment No. A0126, my switch failed to operate. I would like to be recorded in the negative.

The SPEAKER. The gentleman's remarks will be spread upon the record.

**HOUSE BILLS  
INTRODUCED AND REFERRED**

**No. 426** By Representatives RYBAK, MANDERINO, COLAFELLA, YANDRISEVITS, DURHAM, MICHLOVIC, LLOYD, COWLEY, LaGROTTA, MELIO, COLAIZZO, MORRIS, LUCYK, FEE, JAROLIN, McCALL, BELFANTI, TRELLO, NAHILL, HARPER, BATTISTO, BELARDI, MICOZZIE, HALUSKA, E. Z. TAYLOR, PERZEL, LAUGHLIN, J. L. WRIGHT, BISHOP, CORNELL, SEMMEL, COHEN, SALOOM, RAYMOND, CIVERA, COLE, WOZNIAK, KUKOVICH, CALTAGIRONE, D. W. SNYDER, GRUITZA, RUDY and McNALLY

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for proof of financial responsibility; and imposing penalties.

Referred to Committee on INSURANCE, February 14, 1989.

**No. 427** By Representatives RYBAK, MANDERINO, COLAFELLA, YANDRISEVITS, DURHAM, MICHLOVIC, LLOYD, CAWLEY, LaGROTTA, MELIO, COLAIZZO, MORRIS, LUCYK, FEE, JAROLIN, McCALL, BELFANTI, TRELLO, NAHILL, HARPER, BATTISTO, BELARDI, MICOZZIE, HALUSKA, E. Z. TAYLOR, PERZEL, LAUGHLIN, J. L. WRIGHT, BISHOP, CORNELL, SEMMEL, COHEN, SALOOM, RAYMOND, CIVERA, COLE, WOZNIAK, KUKOVICH, CALTAGIRONE, D. W. SNYDER, GRUITZA, RUDY and McNALLY

An Act amending the act of June 11, 1947 (P. L. 538, No. 246), known as "The Casualty and Surety Rate Regulatory Act," requiring insurers to file their underwriting standards with the Insurance Commissioner.

Referred to Committee on INSURANCE, February 14, 1989.

**No. 428** By Representatives RYBAK, MANDERINO, COLAFELLA, YANDRISEVITS, DURHAM, MICHLOVIC, LLOYD, CAWLEY, LaGROTTA, MELIO, COLAIZZO, MORRIS, LUCYK, FEE, JAROLIN, McCALL, BELFANTI, TRELLO, NAHILL, HARPER, BATTISTO, BELARDI, MICOZZIE, HALUSKA, E. Z. TAYLOR, PERZEL, LAUGHLIN, J. L. WRIGHT, BISHOP, CORNELL, SEMMEL, COHEN, SALOOM, RAYMOND, CIVERA, COLE, WOZNIAK, KUKOVICH, CALTAGIRONE, D. W. SNYDER, GRUITZA, RUDY and McNALLY

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for the fee for reinstatement of registration or a person's operating privilege.

Referred to Committee on INSURANCE, February 14, 1989.

**No. 429** By Representatives RYBAK, MANDERINO, COLAFELLA, YANDRISEVITS, DURHAM, MICHLOVIC, LLOYD, CAWLEY, LaGROTTA, MELIO, COLAIZZO, MORRIS, LUCYK, FEE, JAROLIN, McCALL, BELFANTI, TRELLO, NAHILL, HARPER, BATTISTO, BELARDI, MICOZZIE,

HALUSKA, E. Z. TAYLOR, PERZEL, LAUGHLIN, J. L. WRIGHT, BISHOP, CORNELL, SEMMEL, COHEN, SALOOM, RAYMOND, CIVERA, COLE, WOZNIAK, KUKOVICH, CALTAGIRONE, D. W. SNYDER, GRUITZA and McNALLY

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, adding provisions relating to insurance fraud in making insurance claims and applications; imposing penalties; and making repeals.

Referred to Committee on INSURANCE, February 14, 1989.

**No. 430** By Representatives RYBAK, MANDERINO, COLAFELLA, YANDRISEVITS, DURHAM, MICHLOVIC, LLOYD, CAWLEY, LaGROTTA, MELIO, COLAIZZO, MORRIS, LUCYK, FEE, JAROLIN, McCALL, BELFANTI, TRELLO, NAHILL, HARPER, BATTISTO, BELARDI, MICOZZIE, HALUSKA, E. Z. TAYLOR, PERZEL, LAUGHLIN, J. L. WRIGHT, BISHOP, CORNELL, SEMMEL, COHEN, SALOOM, RAYMOND, CIVERA, COLE, WOZNIAK, KUKOVICH, CALTAGIRONE, D. W. SNYDER, GRUITZA, RUDY and McNALLY

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for the creation of an insurance data bank for the detection of fraud and abuse; and requiring insurance companies to report certain information.

Referred to Committee on INSURANCE, February 14, 1989.

**No. 431** By Representatives RYBAK, MANDERINO, COLAFELLA, YANDRISEVITS, DURHAM, MICHLOVIC, LLOYD, CAWLEY, LaGROTTA, MELIO, COLAIZZO, MORRIS, LUCYK, FEE, JAROLIN, McCALL, BELFANTI, TRELLO, NAHILL, HARPER, BATTISTO, BELARDI, MICOZZIE, HALUSKA, E. Z. TAYLOR, PERZEL, LAUGHLIN, J. L. WRIGHT, BISHOP, CORNELL, SEMMEL, COHEN, SALOOM, RAYMOND, CIVERA, COLE, WOZNIAK, KUKOVICH, CALTAGIRONE, D. W. SNYDER, GRUITZA and McNALLY

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for certain benefits and coverage; providing for financial responsibility verification, for an insurance data bank for detection of fraud and abuse, for challenges to reasonableness of treatment and for pleadings; requiring insurers to report cancellation or termination of insurance; adding provisions relating to preferred provider body shops and

deductibles; and prohibiting excessive profits for motor vehicle insurance.

Referred to Committee on INSURANCE, February 14, 1989.

**No. 583** By Representatives COWELL, BURNS, COLAFELLA, KOSINSKI, BORTNER, DALEY, DAVIES, COY, HERMAN, SCHULER, YANDRISSEVITS, TIGUE, LEVDANSKY, COHEN, FLICK, WAMBACH, CALTAGIRONE, VEON, ITKIN, PISTELLA, KUKOVICH, HECKLER, WASS, DOMBROWSKI, REBER, McCALL, MARKOSEK, TRELLO, VAN HORNE, BELARDI, BOYES, HALUSKA, KONDRICH, LESCOVITZ, EVANS and BATTISTO

An Act amending the act of March 10, 1949 (P. L. 30, No. 14), known as the "Public School Code of 1949," providing for school business administrators.

Referred to Committee on EDUCATION, February 14, 1989.

#### REMARKS ON VOTE

The SPEAKER. The Chair recognizes the lady from Bucks, Mrs. Wilson, who wishes to correct a vote.

Mrs. WILSON. Mr. Speaker, I was not recorded on HR 18. I would like to be recorded "yes," please.

The SPEAKER. On HR 18, Representative Wilson indicates that her vote should be reflected in the affirmative. Those remarks will be spread upon the record.

#### BILLS AND RESOLUTIONS PASSED OVER

The SPEAKER. Without objection, all remaining bills and resolutions on today's calendar will be passed over. The Chair hears no objection.

#### ADJOURNMENT

The SPEAKER. The Chair recognizes the lady from Beaver, Mrs. Laughlin.

Mrs. LAUGHLIN. Mr. Speaker, I move that this House do now adjourn until Wednesday, February 15, 1989, at 11 a.m., e.s.t., unless sooner recalled by the Speaker. Thank you, Mr. Speaker.

On the question,

Will the House agree to the motion?

Motion was agreed to, and at 5:53 p.m., e.s.t., the House adjourned.