

SB 65 CALLED UP

SB 65 (Pr. No. 310) -- Without objection, the bill, which previously went over in its order temporarily, was called up, from page 2 of the Third Consideration Calendar, by Senator LOEPER.

**BILL ON THIRD CONSIDERATION
AND FINAL PASSAGE**

SB 65 (Pr. No. 310) -- The Senate proceeded to consideration of the bill, entitled:

A Joint Resolution proposing an amendment to the Constitution of the Commonwealth of Pennsylvania, authorizing an exclusion from taxation of a portion of the assessed value of homestead property.

Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Blair, Senator Jubelirer.

The PRESIDENT pro tempore. Mr. President, Senate Bill No. 65 is indeed the homestead exemption. It provides a constitutional amendment for the voters to approve on the November ballot. I would hope that the House of Representatives would act on this and that it would then be on the November ballot. It is the key to property tax reduction and this certainly is indeed very important for this package, and I hope that all Members would vote for Senate Bill No. 65, recognizing the significance of what we have done. We passed it in the previous Session and if we pass it now it will go to the voters in November for their approval.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Berks, Senator O'Pake.

Senator O'PAKE. Mr. President, this indeed is the key, the linchpin of any meaningful and fair local tax reform in Pennsylvania. Unfortunately, the voters of Pennsylvania will not have the opportunity to have their say on property tax reform until the November general election. The House of Representatives has already acted on this. They sent us last week House Bill No. 1, which is identical in language to this measure, and identical in language with what was passed in the last Session, and if the Senate had acted upon it, it would have been able to go to the Governor and appear on the primary ballot. What we are concerned about is having tax reform go forward without this homestead exemption constitutional amendment.

It is interesting that in 1988 when the question of tax reform was presented to us, the gentleman from Blair, Senator Jubelirer, was very, very intent on having that appear on the primary election ballot at that time. We wonder what has changed. We are just as concerned about property tax reform as anyone on the other side. As a matter of fact, we want tax reform as soon as possible, and we could get tax reform much more quickly if the Senate would consider House Bill No. 1 instead of having that bottled up in committee. Just so the people of Pennsylvania understand, by acting on Senate Bill

No. 65 instead of House Bill No. 1, which the House has already passed, and since the deadline for certifying questions for the primary ballot is sometime next week, I believe, we are effectively postponing property tax reform until after the November election, which means as a matter of reality, we are talking about 1998.

What really bothers me, however, is that by voting on this we are creating the situation which we unfortunately had to deal with in the last Session. We usually vote and pass things at deadline time. If the constitutional amendment, which is the linchpin, the homestead exemption, which would allow homeowners to have their property assessed at a lower rate or to have exemptions entirely for their home, if that does not pass until November 1997 and if the House and Senate cannot once again agree on what version local tax reform should take, we could well be here again in December of 1998, as we were in November of 1996, and all of us will have talked about tax reform and the Senate will have passed its version of tax reform and the House of Representatives will have passed its version of tax reform and yet the property taxpayer of Pennsylvania will not see any change, and that is unfair.

So, Mr. President, unfortunately, the Senate Republican leadership has chosen to give us Senate Bill No. 65 and not House Bill No. 1 to vote on. That means at least a 6-month delay in meaningful tax reform opportunity. We will vote for this because it is the only thing before us, but if we wanted to have tax reform sooner rather than later, we should have been voting on House Bill No. 1 because the House has already voted on that.

Mr. President, as I say, we will support it, but just so the voters of Pennsylvania know why we will not have tax reform now before 1998, it is not because of Senate Democrats. It is because of the people on the other side of the aisle.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Blair, Senator Jubelirer.

The PRESIDENT pro tempore. Mr. President, I have listened twice now to the gentleman from Berks, Senator O'Pake, talk about how if we do not get the homestead exemption question on the primary ballot we are delaying tax reform.

Let there be no mistake, this Senate has passed a version of Senate Bill No. 2 on several different occasions. This Senate has led the fight for tax reform in Pennsylvania. We have not been able to get it passed in the House of Representatives. That body has decided it wanted to go in a different direction and, in essence, did not pass the version that we passed. So we have done our job in Session after Session. I have been here for over 20 years and this issue has been before us, and there has never been a will to do it. In 1989--it was not 1988, it was 1989--when the Casey tax reform plan was on the ballot, it was defeated 3 to 1. Seventy-five percent of the people of Pennsylvania said that was not what they wanted because of various reasons. We are not going to debate that now. We took that defeat and, frankly, crafted what has become Senate Bill No. 2 to meet the objections of taxpayers, basically, who were vehemently opposed to that. Every taxpayer group now supports Senate Bill No. 2.

But let the record show very clearly, and I quote from Mr. David Williams, executive assistant to the Deputy Chief Counsel of the Department of State, Department of Commonwealth, as follows: "...the vendor...would have to have the final, proof-read text of an advertisement in its hands no later than February 4, 1997, in order to meet the above publication schedule. Therefore, February 4 is the last day that the Department of State and the Office of Attorney General would have to prepare the text of a proposed amendment and a mandatory plain-English statement for publication."

Mr. President, I believe the argument of the gentleman from Berks, Senator O'Pake, is moot. I believe the general election is the only time we can put this on the ballot, and furthermore, Mr. President, that is the time when more people will have the opportunity -- not have the opportunity, but will vote for it. In a general election certainly there is a larger turnout, and in an off-year like this year there will clearly be more people at the ballot box than there would be in a primary election.

Furthermore, under the previous amendment of the gentleman from Allegheny, Senator Hart, tax reform will go into effect January 1, 1998, assuming we pass the bill and the homestead exemption is passed in November. That is not delay, Mr. President. That is trying to do it right. Several years ago this body passed judicial reform. We thought it was timely. It went to the Department of State. It turned out that it was not timely and things got messed up in the Department of State in some kind of bureaucratic error over there, and we delayed judicial reform by over 2 years by not doing it right. It is our intention if we are to be the accused, the Senate Republican leadership, then I accept that responsibility as a leader on this side of the aisle to do it right, as somebody who has been trying to get tax reform through for a number of years, to do it right. It will be on the November ballot. We hope that the voters will pass the homestead exemption in the general election. I do not care whether it is Senate Bill No. 65, House Bill No. 1, it really does not matter to me as long as it is the same text of what we passed in the last Session. I have no pride of authorship, but I do hope it is done right, and the only time it can be done is in the general election.

Mr. President, I cannot imagine that any local jurisdiction would be able to gear up before 1998. When you talk about the referenda and the adjustments it is going to take for various jurisdictions - school districts, municipalities, and counties - to learn through their various association's solicitors the where-withal of what is taking place in Senate Bill No. 2, I think is going to take until that time to do it.

Furthermore, the House is not about ready to jump on this and pass it. We have not had any signal from the House that they are going to pass it. I hope the House leadership will allow their Members to vote on it. If they do not pass the same bill we do, at least let us get it to a conference committee and try to get the thing done. But let us make no mistake. The only time this thing, the homestead exemption, can go on is in the fall, and I believe we will be very timely if we can just pass this bill, get it done, get it to the Governor's desk, and let the voters understand how important it is to pass that homestead exemption. With the support of Democrats and Republicans,

House and Senate, citizen taxpayer groups, all will back that homestead exemption in the fall election if we are able to get it there.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Cambria, Senator Wozniak.

Senator WOZNIAK. Mr. President, I am going to break ranks a little bit with my Democratic colleagues and support the gentleman from Blair, Senator Jubelirer.

My pile of rocks, quite frankly, has gotten pretty small. We have thrown as many stones as we possibly can on the issue of tax reform, and I think we are a little confused because both sides are sort of running out of ammunition as to what happens out of the fact that we do not have any rocks to toss at each other anymore. I think it is pretty obvious if you look at it objectively that in this upcoming election, let alone the people turning out, I do not know about the other folks in this room, but we have a tough time just trying to find people to get on the ballot to run for local offices, let alone trying to get people to go out and vote in what is considered an off-election year.

I am pretty much convinced that the voter turnout is going to be extremely small, and there is no reason, since we have been battling this issue for over 20 years, that we cannot procrastinate a bit more and do it in the general election. This is a constitutional amendment, and I think the citizens of Pennsylvania, whether they are Independents, who will not have any decision whatsoever in the primary, whether they are Republican or Democratic, I think they need to be educated, and I think we need to make an opportunity for the most amount of people to go to the ballot to change their Constitution.

I know that over the next few months people are going to be asking me, what is this homestead exemption, John? And folks, we are going to have to understand it pretty clearly as it is explained to us, it goes into our brain and out our mouths, because we are going to have to make this understandable to the whole gamut of society out there so that they know what they are voting for. Once that occurs, and I surmise it is going to pass, we can do whatever we need to do in getting the final package of tax reform together, but the propensity to change in our local governments is extremely slow. And anybody who thinks for one moment that on January 1, 1998, the city of Johnstown is going to change the way they tax their citizens is sadly mistaken.

Let us do this deliberately. I made a point to stand up here today because this should be a bipartisan arena and we need to accomplish goals and set our goals and get things done and maybe once in a while get the politics of politics out of the way and serve the public in the capacity that we were elected to do. I support Senator Jubelirer's effort, a few months, to try to get a few more people to make the final decision that is going to affect this Constitution possibly for the next 50 years, if not my lifetime. I think they deserve that much.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Berks, Senator O'Pake.

Senator O'PAKE. Mr. President, property tax reform has always been a bipartisan effort here in the Senate of Pennsyl-

vania. One of the problems, very frankly, is the House of Representatives, and that is where the prior speaker just came from, but, be that as it may, the only question here is whether or not the real estate homestead exemption should appear on the ballot in May or in November. We would like to see it as early as possible. Our argument was that the House of Representatives sent us a vehicle where we could do that. We realize that we are not going to get a chance to vote on House Bill No. 1. Therefore, we are supportive of the idea and the concept behind Senate Bill No. 65. We regret that it will not be on the primary ballot instead of the November ballot. And just as the gentleman from Blair, Senator Jubelirer, argued for a primary vote in 1989, we are arguing for a primary vote now. And if you want to see an issue that will bring the voters out, it is the question of whether or not they can get a lower tax on their real estate. That will bring them out whether it is a primary or a general election.

But that having been said, we support Senate Bill No. 65 because it is the only bill now before us. We had wished it could have been done sooner. We are not going to be given that opportunity, and therefore we go for this in the true spirit of bipartisanship on tax reform.

And the question recurring,
Shall the bill pass finally?

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

YEA-47

Afferbach	Heckler	Mowery	Stout
Armstrong	Holl	Murphy	Tartaglione
Belan	Hughes	Musto	Thompson
Bell	Jubelirer	O'Pake	Tilghman
Brightbill	Kasunic	Piccola	Tomlinson
Corman	Kitchen	Punt	Uliana
Costa	Kukovich	Rhoades	Wagner
Delp	LaValle	Robbins	Wenger
Earll	Lemmond	Salvatore	White
Gerlach	Loeper	Schwartz	Williams
Greenleaf	Madigan	Slocum	Wozniak
Hart	Mellow	Stapleton	

NAY-0

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

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

SECOND CONSIDERATION CALENDAR

BILLS OVER IN ORDER

SB 109 and SB 125 -- Without objection, the bills were passed over in their order at the request of Senator LOEPER.

BILL ON SECOND CONSIDERATION

SB 131 (Pr. No. 128) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for bad checks by requiring that certain suspects be fingerprinted in order to determine prior bad checks violations.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILL OVER IN ORDER

SB 135 -- Without objection, the bill was passed over in its order at the request of Senator LOEPER.

**BILL ON SECOND CONSIDERATION
AND REREFERRED**

SB 168 (Pr. No. 388) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of June 26, 1931 (P.L.1379, No.348), entitled, as amended, Third Class County Assessment Board Law, providing for auxiliary boards and for alternate members; further providing for rules and regulations; providing for correction of errors; and further providing for assessment appeals.

Considered the second time and agreed to,
Ordered, To be printed for third consideration.
Upon motion of Senator LOEPER, and agreed to, the bill just considered was rereferred to the Committee on Appropriations.

BILL ON SECOND CONSIDERATION

SB 179 (Pr. No. 172) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of April 9, 1929 (P.L.177, No.175), entitled The Administrative Code of 1929, authorizing the Department of Corrections to assess and collect certain payments from prisoners.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILL OVER IN ORDER

SB 220 -- Without objection, the bill was passed over in its order at the request of Senator LOEPER.

**REPORT FROM COMMITTEE ON
RULES AND EXECUTIVE NOMINATIONS**

Senator SALVATORE, from the Committee on Rules and Executive Nominations, reported the following nominations made by His Excellency, the Governor of the Commonwealth, which were read by the Clerk as follows:

**MEMBER OF THE STATE BOARD
OF COSMETOLOGY**

January 16, 1997

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

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Melissa K. Chapman, 537 West