

## Veto No. 2000-1

HB 1150

December 20, 2000

To the Honorable, the House of Representatives  
of the Commonwealth of Pennsylvania:

I am returning herewith, without my approval, House Bill 1150, Printer's No. 4224, entitled "An act amending the act of December 19, 1990 (P.L.1200, No.202), entitled 'An act providing for the registration and regulation of solicitations by charitable organizations, professional fundraisers and other solicitors; imposing additional powers on the Department of State and the Office of Attorney General; prescribing civil and criminal penalties; and making a repeal,' further providing for reports by charitable organizations and for exemptions from registration."

I am not opposed to increasing the review and audit thresholds that were part of the original bill. Nor am I opposed to amending the solicitations act to reduce some of the administrative and financial burdens imposed on volunteer organizations under the act. However, due to the equal protection concerns enunciated below, I cannot support the amended version of the bill eliminating the distinction between certain organizations that utilize professional, as opposed to volunteer, fundraisers.

In *Streich v. Pennsylvania Commission on Charitable Organizations*, 579 F. Supp. 172 (M.D. Pa. 1984), the district court examined the exemption provisions from the previous solicitation act, incorporated into the Commonwealth's current Solicitation Act in 1990. In examining Pennsylvania's exemptions from registration, the district court held that the exemptions granted by Pennsylvania did not violate equal protection even when using a heightened strict-scrutiny standard due to free-speech concerns. The district court upheld two distinct classes of exempt entities. The first class includes entities that are already regulated by other State laws and thus additional duplicate supervision was considered wasteful and counterproductive. The second class includes certain local organizations that do not hire professionals to solicit on their behalf. The court held that exempting these entities that use volunteers, as opposed to professionals, to solicit on their behalf was directly and substantially related to the purpose and enforcement of the Solicitation Act.

The elimination of the volunteer requirement in House Bill 1150 removes those provisions that the district court relied upon to declare the exemptions constitutional. This new class of entities would not be subject to regulation by other State agencies, nor would they be required to use volunteers. This substantial change from the current classes of exemptions in the Solicitation Act creates the likelihood that the Solicitation Act would be challenged and, ultimately, struck down on equal protection grounds.

Because of the constitutional equal protection problems raised by House Bill 1150, I am hereby returning House Bill 1150, Printer's Number 4224, without my signature, but with a commitment to work with the General Assembly to address the concerns which formed the basis of the proposed changes.

THOMAS J. RIDGE

## Veto No. 2000-2

HB 181

December 20, 2000

To the Honorable, the House of Representatives  
of the Commonwealth of Pennsylvania:

I am returning herewith, without my approval, House Bill 181, Printer's No. 4231, entitled "An act amending the act of April 9, 1929 (P.L.177, No.175), entitled 'An act providing for and reorganizing the conduct of the executive and administrative work of the Commonwealth by the executive department thereof and the administrative departments, boards, commissions, and officers thereof, including the boards of trustees of State Normal Schools, or Teachers Colleges; abolishing, creating, reorganizing or authorizing the reorganization of certain administrative departments, boards, and commissions; defining the powers and duties of the Governor and other executive and administrative officers, and of the several administrative departments, boards, commissions, and officers; fixing the salaries of the Governor, Lieutenant Governor, and certain other executive and administrative officers; providing for the appointment of certain administrative officers, and of all deputies and other assistants and employes in certain departments, boards, and commissions; and prescribing the manner in which the number and compensation of the deputies and all other assistants and employes of certain departments, boards and commissions shall be determined,' authorizing the Department of Community and Economic Development to adopt a program of training, examination and qualification for tax collectors; and restricting the ability of the Pennsylvania Housing Finance Agency to insure or guarantee mortgages and other debt."

The original purpose of House Bill 181 was to create the Tax Collector Training and Qualification Act, a program intended to improve the efficiency of local tax collection. However, the bill was altered to be an amendment to The Administrative Code of 1929 placing restrictions on the authority of the Pennsylvania Housing Financing Agency to issue mortgage insurance.

In 1982, the agency began a program of risk retention for single-family mortgage loans due to the inability of low-income and high-risk borrowers to obtain mortgage insurance during a recession. Since that time, mortgage providers have become interested in providing these policies given the positive economic climate. The language in House Bill 181 requires the agency to submit its debt and loans to, and obtain declination from, two private insurers prior to assuming the risk of loss.

In order to ensure that the agency does not inappropriately compete with private mortgage insurance, I have requested the agency to take immediate steps to direct its single-family lenders to provide private mortgage insurance companies with the first opportunity to underwrite these loans. It is my understanding that these contacts with lenders have already begun.

However, there will continue to be a high-risk clientele, such as individuals with disabilities, that the private market will not insure. The agency should continue to try to assist these individuals when private insurance is unavailable.

While I support limiting the agency's competition with the private sector, the bill also requires the agency to submit its debts to private mortgage companies. This provision impacts the financing of multifamily dwellings. Multifamily projects, funded by bonds, do not utilize traditional mortgage insurance. Requiring review of this debt by private companies is overly bureaucratic and an inappropriate interference with the operation of the agency.

While I support the certification of tax collectors and the opening of more single-family loans to private mortgage insurers, because the language interferes with the financing of multifamily dwellings and because I believe it would impede the agency's ability to insure loans to high-risk clientele, I hereby withhold my signature from House Bill 181, Printer's Number 4231.

THOMAS J. RIDGE

## Veto No. 2000-3

HB 1470

December 20, 2000

To the Honorable, the House of Representatives  
of the Commonwealth of Pennsylvania:

I am returning herewith, without my approval, House Bill 1470, Printer's No. 4234, entitled "An act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, adding and amending definitions; further providing for certificates of title; providing for salvage, theft and reconstructed vehicles; further providing for registration of vehicles, for registration plates, for registration violations and suspensions, for licensing of drivers, for comprehensive system for driver education and control, for driver's license violations, for driver's license compact, for commercial drivers, for required financial responsibility, for payments to special funds, for registration fees, for permits, for the Motor Vehicle Transaction Recovery Fund, for obedience to and effect of traffic laws, for traffic-control devices, for right-of-way, for special stops required, for stopping, standing and parking, for speed restrictions, for rights and duties of pedestrians, for depositing waste and other material on highway, property or water and for abandonment and stripping of vehicles; providing for restitution of property owners and for restriction on alcoholic beverages; further providing for accidents involving overturned vehicles, for serious traffic offenses, for accidents and accident reports, for equipment standards, for lighting equipment, for safety and antipollution equipment, for vehicles for transportation of school children, for equipment of authorized and emergency vehicles, for inspection requirements, for official inspection stations, for vehicle size, weight and load, for powers of the Department of Transportation and local authorities, for enforcement, for misuse of documents and plates, for tampering with odometers, for abandoned vehicles and cargos, for messenger service and for snowmobiles and all-terrain vehicles; providing for motor carrier safety; further providing for liquid fuels and fuels tax refunds; conferring powers and duties on the Department of Health; and making repeals."

House Bill 1470 amends the Motor Vehicle Code. The original purpose of the bill was to change the grading of certain violations of the Public Utilities Code and to create the Motor Carrier Safety Advisory Committee Act. House Bill 1470 was amended to include a wide variety of amendments to the Vehicle Code. While the majority of the changes in the amendment would improve the administration of the Department of Transportation and promote the safe operation of vehicles on the Commonwealth's highways, the inclusion of various special registration plates and prohibition against the enactment or enforcement of size and weight restrictions by municipal governments compels me to withhold my approval of House Bill 1470.

Early in my administration, I agreed to sign a bill to create one additional special fund plate, the Youth Hunter and Angler Plate. However, the further proliferation of these special fund plates not only creates an additional administrative and financial burden on the Commonwealth but also diminishes the potential benefit of new and existing plates for the sponsoring organizations.

House Bill 1470 would create a total of five new specialized motor vehicle registration license plates. In addition to the Youth Hunter and Angler Plate, House Bill 1470 creates an animal protection plate, a cancer research plate, a Mothers Against Drunk Driving plate and the Kids First plate. While all of the groups associated with these plates make a significant contribution to the health and well-being of the citizens of the Commonwealth, the benefits of creating additional special fund plates for those groups are outweighed by the administrative and financial burdens associated with the establishment and maintenance of additional funds within the Treasury. In addition, the costs to the Department of Transportation relating to the design and personalization of these plates are expected to increase at a significant rate.

I have directed the Department of Transportation to develop language to allow a special organization plate that includes a pictorial display on the side of the plate. This language will allow the organization to have a distinctive picture for fundraising purposes. The organization would administer the application for the plates in the same manner as current special organization plates. The organization would also directly control the monies raised, relieving the Commonwealth of the administrative burden of maintaining special funds and distributing proceeds to various organizations. It is my hope that this language can be developed early in the next legislative session and will serve the fundraising goals of special fund plates without creating the problems associated with special fund plates.

Secondly, a provision in House Bill 1470 prohibits local officials from enacting any ordinance imposing weight and size restrictions on bridges and highways under their jurisdiction. Most restrictions on trucks in residential neighborhoods are local in origin. These municipal ordinances are used by local governments to help maintain the quality of life in our local communities. While I believe the result of this provision was unintended, the language could render new and existing ordinances unenforceable.

In summary, the administrative burden and cost created by the five new specialized registration plates and the prohibition on local control of traffic in our communities cause me to withhold my signature from House Bill 1470, Printer's Number 4234.

THOMAS J. RIDGE