

# House of Representatives

## *Week in Review*

For the Week Ending: Friday, June 11, 2010

### [News Items From the House](#)

- **Two News Laws Will Protect Homeowners from Unscrupulous Business Practices**

The complaints of homeowners at a residential development near Odessa have resulted in two new laws to protect Delaware consumers.

State House Minority Leader Dick Cathcart (R-Middletown) said the enactment of House Bills 320 and 321 is the end of several years of work.

Jack Psota, who purchased a home with his wife Doris in 2007 at Odessa National, said the couple had been promised the use of a golf course, clubhouse, tennis courts and swimming pool. Because the amenities had not yet been built, Psota said the salespeople told the couple they didn't have to pay the user fees. "Then we started getting nasty letters from the developer," he said.

Rep. Cathcart said his involvement began a short time later when Odessa National residents, led by homeowner Cecelia Scherer, approached him with complaints similar to those of the Psotas. He said other residents told him they had never been informed there were fees associated with becoming homeowners in the community.

"We're talking fees of \$2,500 to \$3,000 annually," Rep. Cathcart said. "I solicited the help of Sen. Bruce Ennis (D-Smyrna) and we met with residents as well as staffers with the Attorney General's Consumer Fraud Division."

Those talks led to a new consumer protection law two years ago but Rep. Cathcart said that wasn't the end of it.

"The attorney general's people came back to us and said that law would be made stronger if we added additional language that gave their office the authority to prosecute these cases. That's part of the new laws."

One of the new measures stipulates that community developers or homeowner associations cannot charge residents for amenities that are not available. The

second, which takes effect at the start of the year, will require the sellers of new homes to disclose any fees prospective homeowners will be obligated to pay. The state attorney general is empowered to enforce both new statutes.

"This reinforces what we did in 2008," said Sen. Ennis, who was the lead sponsor of the bills with Rep. Cathcart. "We're providing additional disclosure and consumer protection and giving the attorney general's office more power in these cases."

Rep. Cathcart said the changes will provide protection throughout the state. He said when he first started work on these issues, one state representative told him she had a similar case in her district in which a developer was charging fees for a swimming pool that had been promised 15 years earlier. "To this day, the pool hasn't been built and that case had to be resolved in a civil action," Rep. Cathcart said. "These laws should prevent these types of situations from ever reoccurring here."

Homeowner Jack Psota agrees. "This is a good bill for Delaware," he said.

The developers at Odessa National are currently working to complete some of the unfinished amenities under a deadline negotiated with state officials.

## • **State Needs to Continue to Reduce Workforce and Spending**

As the General Assembly starts the process of finalizing the state's new spending plan, House Republicans say the operating budget is heading in the wrong direction on several fronts.

At the end of January, Governor Jack Markell unveiled a proposed \$3.17 billion operating budget for the fiscal year that begins July 1<sup>st</sup>. The proposal included \$143.6 million in cuts to state agencies and services, but despite this overall spending in the plan was about \$80 million more than the current budget - an increase of 2.58 percent.

Since February, the Joint Finance Committee – a group of 12 state legislators – has been reviewing and revising the proposed budget. State House Minority Leader Dick Cathcart (R-Middletown) said the 17 members of his caucus believe fundamental changes need to be made before the budget is enacted later this month.

"State spending is heading up again, some key proposals need to be revised, and we're continuing to grow our already large state government," Rep. Cathcart said. "We're moving in the wrong direction."

State House Minority Whip Dan Short (R-Seaford) questions whether the Markell administration has made good on its promise to reduce the size of state government and to make government more efficient. “Last year, our caucus members successfully pushed to reduce the size of state government by 525 positions by not filling vacancies created when workers retired or otherwise left their jobs. That move saved over \$14 million in ongoing annual savings. The administration and General Assembly should make a commitment to continue this practice with a goal of eliminating another 500 positions through attrition. That’s less than a 1.6 percent reduction.”

Rep. Short said he was disturbed by recent figures released by the state Department of Labor that reveal the state workforce has not only not been reduced, it’s actually grown over the last year. According to the data, state government employed 31,600 people in April 2009. That figure grew to 31,700 employees this April – a gain of 100 positions.

While state revenue estimates for the current and upcoming fiscal years have grown by nearly \$75 million since last June, Rep. Cathcart noted the administration and many Democratic lawmakers seem to be ignoring fiscal realities and are failing to prepare the state for possible trouble on the horizon. “Many economists are worried the financial instability in Europe has the potential to create a double-dip recession here,” he said. “The new budget also includes \$123.5 million in federal stimulus money. Those funds won’t be available in the next budget, so there’s a ready-made hole waiting for us.”

While House Republicans are concerned about the renewed growth of the budget, they also expressed concern that some of the governor’s proposed spending cuts will either produce stealth tax increases or will result in a reduction of services outweighed by any marginal financial benefits.

Chief among these proposed cuts are a combined \$6.48 million in funding for public school transportation maintenance and fuel costs. “It’s my belief these reductions balance the state budget at the cost of throwing the finances of local school districts into disarray,” said State Rep. Nick Manolakos (R-Limestone Hills). “These expenses won’t disappear; they will just be passed along. While the governor has promised not to raise taxes this year, his recommended budget could force local schools to do so on his behalf.”

The governor has also recommended eliminating \$1.9 million to transport Delaware children attending private schools – one of two areas in which private school students are being targeted by budget cuts. State Rep. Joe Miro (R-Pike Creek), a member of the Joint Finance Committee, said he opposes this cut as well as the governor’s call to eliminate state funding for private school nurses. “This proposal is short-sighted and could potentially cost far more than it saves,” Rep. Miro said. “School nurses perform an important function in safeguarding

public health and I believe their role in fighting the spread of illnesses and the early detection of potential health issues more than justifies their expense.” The governor’s proposal to cut so-called “pass-through” funding for nurses would save less than \$447,000.

Reps. Cathcart and Short said they have issues with a proposal to replace School Resource Officers (SRO) - Delaware State Police troopers assigned to protect students and teachers in the public schools - with cheaper and less well trained “School Resource Agents.” Both said the minor amount of money that could be potentially saved – reportedly about \$18,000 per officer – is more than offset by the reduction in safety and flexibility the move would create.

“We need to take a step back and take a holistic look at what we’re doing and what’s ahead,” Rep. Short said of the state’s pending budget decisions. “Some of the proposals on the table need to be reconsidered.”

Reps. Cathcart and Short said the 17 members of their caucus are calling for the following steps:

### **1. Workforce Reduction:**

- A continuation of the hiring freeze of non-essential state workers.
- Set a goal of further reducing the state force by 500 positions via attrition for FY 2011.
- Set a cap on the overall number of state workers to prevent side-stepping of reduction efforts by re-classifying positions as “essential” and confirm the reductions via a year-to-year, “apples to apples” comparison of the overall number of workers in state employment.

### **2. Schools:**

- Restore proposed budget cuts for \$6.48 million in funding for public school transportation maintenance and fuel costs, which would likely force local school districts to raise taxes to cover the lost revenue.
- Restore the proposed budget cut eliminating \$1.9 million to transport Delaware children attending private schools
- Reverse the governor’s proposal to eliminate \$446,400 for private school nurses.
- Maintain the School Resource Officer program in its current form.
- Adopt standardized school design and construction, lowering these costs both for the state and local district taxpayers.
- Form a task force to fashion a plan for consolidating school district administrative, purchasing and support services, while maintaining school district identities and local school boards.

### **3. Grant-in-Aid Reform:**

- Reform the Grant in Aid process, requiring audits of applicants every two years to determine the efficacy of past grant money they have received. Such audits would be required in order to be considered for future funding.

## ***Around the Hall*** ***(Photos & Briefs from Legislative Hall)***

### **Former Gov. Ruth Ann Minner Framed**

Former Gov. Ruth Ann Minner admired her own likeness in an oil and canvass work recently unveiled at Legislative Hall in Dover. Artist David Larned said he worked from a photograph to create the state-commissioned portrait. Nearly a 100 people attended a brief unveiling ceremony on June 9<sup>th</sup>. The painting cost \$14,500, with funding included in the “transition budget” that pays for costs associated with the changeover from one gubernatorial administration to the next. Minner was Delaware’s first female governor, serving two terms between 2000 and 2008. She also held elected office as a state representative, state senator, and lieutenant governor. Many of the portraits of Delaware’s former chief executives – including Govs. Pete du Pont, Tom Carper and Mike Castle – hang in the capitol building.

### **Miss Delaware and Hopefuls Visit Hall**

In observance of an annual custom, Miss Delaware 2009 Heather Lehman recently presented the House of Representatives with her portrait, which is temporarily displayed at Legislative Hall. Ms. Lehman also led a delegation of 2010 Miss Delaware hopefuls, who were officially welcomed in both the House and Senate chambers. State Rep. Gerald Hocker (R-Ocean View) used the occasion to thank Ms. Lehman for performing in this year’s Springtime Jamboree, an annual charitable event Rep. Hocker began in 1982 which benefits Sussex County community organizations. On a similar note, Ms. Lehman thanked State Rep. Dave Wilson (R-Cedar Creek Hundred) for lending his services as an auctioneer to the Miss Delaware Golf Classic event – the primary fundraiser for the Miss Delaware Scholarship Organization.

### **Freshman Lawmaker Undergoes Rite of Passage**

State Rep. Ruth Briggs King (R-Georgetown) was the latest victim of a long-standing practice to subject freshmen legislators working their first bill on the

House floor to a good-natured hazing. Rep. King, who took office late last year after winning a special election to fill the open 37<sup>th</sup> District seat, is the lead sponsor of a bill that would allow any active member of the U.S. military, Reserve or National Guard to obtain a Delaware hunting, trapping, or fishing license for the same rate as state residents. After enduring a series of pointless questions Rep. King's colleagues relented, sending the measure (HB 437) to the Senate for consideration by a vote of 38 to 0.

## **New Bill Intended to Curtail Rash of Copper Thefts**

The House has sent a bill (House Bill 430) to the Senate designed to curtail the rash of copper thefts that have plagued the downstate area. Under current law, scrap dealers are only required to report transactions of \$250 or more to state officials, allowing copper thieves to avoid detection by selling the stolen metal in smaller lots. The proposed law sponsored by State Rep. Dave Wilson (R-Cedar Creek Hundred) would require dealers to photograph every seller and report every transaction of copper and some other metals. Rep. Wilson said his constituents, as well as many other Sussex and Kent county residents, have been especially hard hit by metal thefts that have been spurred by high prices. Agricultural irrigation systems have been a favorite target of metal thieves. The systems are often isolated and contain large amounts of heavy gauge copper wire. The damage caused by the removal of wire, worth a few hundred dollars on the scrap market, can cost tens-of-thousands of dollars to repair. Rep. Wilson also noted that earlier this year, five members of a Laurel family were injured, and their home destroyed, due to a gas explosion initiated by the theft of a piece of copper supply line. The legislation, the first bill sponsored by Rep. Wilson, cleared the House on a unanimous vote. It now heads to the Senate for consideration.

## **State Senator Snubbed in Bid to Discuss Plan to Reduce State Workforce**

State Sen. Colin Bonini (R-Dover South) was recently thwarted in his attempt to discuss legislation on the Senate floor that he believes could save taxpayers tens-of-millions of dollars annually by downsizing the state workforce through an early retirement incentive.

Sen. Bonini was denied the right to discuss the proposal – a procedure known as “granting personal privilege of the floor” – by Democratic Lt. Governor Matt Denn, who presides over the chamber.

Bonini called the move “a disgrace” and said the action was politically motivated. “While my colleagues have used moments of personal privilege to discuss things

like the official state dessert or their grandmothers' birthdays, the Lt. Governor would not allow me to discuss a substantial piece of legislation that could save taxpayers millions of dollars," he said. "The Lt. Governor ... showed that partisanship is more important than fair-play and honest debate."

The proposal (Senate Bill 288) would give state employees that agreed to retire by October 31, 2010 two years of additional service towards that goal. The bill also bars the state from replacing half of the departing workers for five years and creates a less expensive tier of benefits for employees hired afterward.

State Sen. Joe Booth (R-Georgetown) and State Reps. Greg Lavelle (R-Sharples) and Mike Ramone (R-Middle Run Valley) are also prime sponsors of the measure.

While Sen. Bonini concedes there are upfront costs associated with his plan, he says that after those expenses are met taxpayers will save \$75 million annually for every 1,000 workers that choose to retire. According to Bonini, approximately a quarter of the state's 32,400 employees are currently eligible to receive a pension.

A phone survey conducted on behalf of Sen. Bonini earlier this spring showed that 85-percent of the more than 8,000 Delawareans polled support the proposal.

## [Action on Bills\\*](#)

**House Bill 448** – (Sponsors: Rep. Schooley, et. al.) – This bill seeks to create a so-called "Blue Alert" program, which would be intended to speed the apprehension of people suspected of killing or seriously injuring law enforcement officers. Under the bill, police agencies would alert selected media outlets when an incident occurs to seek the public's help in locating the suspect. Similar programs have been adopted in other states.

**Status: Passed the House. Pending action in a Senate committee.**

**House Bill 447** – (Sponsors: Reps. King & Schwartzkopf, et. al.) – This bill is intended to help Delaware's micro-breweries, like Dogfish Head in Milton, by permitting the sale of beer made on the premises for consumption at the site. Such "on premises sales" are already permitted for farm wineries. The bill also changes the definition of micro-brewery to include facilities manufacturing up to two million barrels annually, mirroring federal law. It's hoped the change could make Delaware a more attractive venue in which to operate larger micro-breweries.

**Status: Passed the House. Pending action in a Senate committee.**

**House Bill 425** – (Sponsor: Rep. Jaques, et. al.) – This bill seeks to reverse a recent change to the state’s election law that doubled the number of registered voters a political party needs to be listed on the general election ballot. The change had been instituted earlier this year. Under this bill, the previous, lower threshold would be reinstated and remain in effect until after this fall’s general election. Rep. Jaques said the legislation is an attempt to diffuse a lawsuit by the Constitution Party over the issue. State Commissioner of Elections Elaine Manlove recently told the House Administration Committee that there would be no reason to continue the lawsuit if the bill were enacted. State House Minority Leader Dick Cathcart (R-Middletown) told his colleagues on the committee that he predicts the lawsuit will move forward, even if the higher standard is delayed.  
**Status: Passed the House. Pending action in the Senate Administrative Services/Elections Committee.**

**House Substitute 1 f/ House 357** – (Sponsors: Rep. Atkins & Sen. Booth, et. al.) – This bill seeks to reverse the policies of several Delaware public housing authorities that bar their residents from possessing firearms. Supporters of the bill say that the regulations are unconstitutional and arbitrarily deny law-abiding residents their Second Amendment rights based on their socio-economic status. They also note that similar prohibitions have been struck down by federal courts elsewhere in the nation. Gov. Jack Markell opposed the original legislation when it was introduced earlier this year on the grounds that it was overly broad and would have had undone firearms controls beyond the public housing authorities. This replacement measure is intended to narrow the scope to deal solely with the public housing restrictions.  
**Status: Pending action in the House Administration Committee.**

**House Bill 468 & House Joint Resolution 13** – (Sponsors: Rep. George & Sen. Katz, et. al.) – These related pieces of legislation seek to eliminate the traditional “county row office” of Register of Wills, replacing the elected positions with an integrated state-run system. The offices generate revenue for the county governments, but the supporters of the measures claim the new system is intended to be “revenue neutral” for the counties. They also say the bills are intended to produce a “more cost-effective and efficient system of Register of Wills offices.” HB 468 is a proposed constitutional amendment that needs to pass two consecutive general assemblies to be enacted. If passed before the end of the 145<sup>th</sup> General Assembly’s legislative action on June 30<sup>th</sup>, the bill could be enacted as early as January when the 146 General Assembly is seated.  
**Status: Pending action in the House Administration Committee.**

**House Joint Resolution 12** – (Sponsors: D.E. Williams & Sen. Katz, et. al.) – This resolution, which will carry the same weight as law if enacted, seeks to eliminate the County Recorder of Deeds as an elected office. Under this measure, a working group would be established to develop legislation to create a state-run recordation system that would be managed by the Department of State. Supporters say it’s their intent that the counties would not lose any money with

the loss of the revenue-generating offices and that the new scheme would reduce costs and improve government efficiency.

**Status: Pending action in the House Housing & Community Affairs Committee.**

\*partial list