

CITY & REGION

Rendell backs city oversight board

The governor also says a new revenue stream is needed to solve the city's fiscal problems.

BY MIKE WERESCHAGIN
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Gov. Ed Rendell on Friday expressed desire for an oversight board for Pittsburgh's finances, but reiterated his long-held position that the General Assembly must approve a new revenue stream for the city.

He also predicted that property tax reform, pegged to the legalization of slot machine gambling, will quickly become a reality in Pennsylvania.

During his tenure as mayor of Philadelphia, Rendell received national

accolades for turning the city's finances around, he said. But it couldn't have been done without the 1 percent sales tax increase approved by lawmakers for the state's largest city.

"There's only so much you can do through savings," Rendell told reporters during a truncated news conference after a breakfast address to the African American Chamber of Commerce of Western Pennsylvania. "There have to be satisfactory revenue enhancements."

On Dec. 31, the governor vetoed legislation that would have created an oversight board for Pittsburgh because the bill didn't allow the city to raise taxes.

A meeting in Pittsburgh scheduled Thursday among Rendell, the oversight board bill's author, Sen. Jane Orie, and other state lawmakers was postponed after Orie's father became ill.

"Jane's been one of the leaders on this," Rendell said of the McCandless Republican who first proposed creating an oversight board during the summer.

The Senate returns to session Monday — a week before the House of Representatives reconvenes — so the meeting will probably take place soon in Harrisburg, Rendell said.

More than 100 business leaders and elected officials packed the Ohio Room of the Rivers Club, Downtown, for the breakfast. On hand were Pittsburgh Mayor Tom Murphy, several state lawmakers and Allegheny County Chief Executive Dan Onorato.

Onorato is counting on Harrisburg to move quickly on legislation legalizing slot machines. Rendell wants to use the money generated by slots to reduce property tax rates across the state.

Onorato hopes to piggyback his own

property tax reform promises on the state legislation. The chief executive needs state approval for two of the reforms he promised during his campaign: applying the homestead exemption and senior citizens property tax discount to taxes levied by municipalities and school districts.

If the Legislature legalizes slot machine gambling, "it will come with a reduction of the tax rate, either through the homestead exemption or Act 77," the senior citizens discount, Onorato said. "I'm open to all options, as long as we get it done."

He might not have to wait long.

"I'm as certain as I can be of anything in Harrisburg that we will have gaming and property tax reform by mid-February," Rendell said.

Rendell's oft-repeated education proposals — which include state funding in-

creases to pay for early childhood education, after school tutoring and other programs — will be a priority this year, he told the chamber of commerce. He blamed some legislators' fear of spending money as a reason his proposals didn't pass last year.

Legislators increased education funding in the budget passed in December, but it wasn't enough, Rendell said. To get the rest, he implored the members of the business community to become more politically active.

"Elected officials have to hear it from you about what kind of America you want to be and what kind of Pennsylvania you want to be," Rendell said.

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