

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1878 Session of  
2007

INTRODUCED BY HUTCHINSON, McILHATTAN, PHILLIPS, BENNINGHOFF,  
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VULAKOVICH AND HANNA, OCTOBER 3, 2007

REFERRED TO COMMITTEE ON TRANSPORTATION, OCTOBER 3, 2007

AN ACT

1 Amending Titles 53 (Municipalities Generally), 74  
2 (Transportation) and 75 (Vehicles) of the Pennsylvania  
3 Consolidated Statutes, repealing provisions relating to local  
4 taxation for public transportation assistance and for  
5 minority and women-owned business participation; providing  
6 for public transportation assistance; and repealing  
7 provisions relating to sustainable mobility options; turnpike  
8 and turnpike commission standards of conduct; providing for  
9 Pennsylvania Turnpike; and repealing provisions relating to  
10 definitions, authorizations, conversion to toll roads,  
11 conversion of Interstate 80, application, lease of Interstate  
12 80, payments, other interstate highways, fund distribution,  
13 impact, financial plan, imposition, allocation of proceeds,  
14 special revenue bonds, expenses, application of proceeds of  
15 obligations, trust indenture, exemption, pledged revenues,  
16 special revenue refunding bonds, remedies, Motor License Fund  
17 proceeds, construction and funding.

18 The General Assembly of the Commonwealth of Pennsylvania  
19 hereby enacts as follows:

20 Section 1. Chapter 86 of Title 53 of the Pennsylvania  
21 Consolidated Statutes, added July 18, 2007 (P.L.169, No.44), is  
22 repealed:

23 [CHAPTER 86

TAXATION FOR PUBLIC TRANSPORTATION

§ 8601. Scope of chapter.

This chapter relates to local funding for sustainable mobility options.

§ 8602. Local financial support.

(a) Imposition.--Notwithstanding any other provision of law, a county of the second class may obtain financial support for transit systems by imposing one or more of the taxes under subsection (b). Money obtained from the imposition shall be deposited into a restricted account of the county.

(b) Taxes.--

(1) A county of the second class may, by ordinance, impose any of the following taxes:

(i) A tax on the sale at retail of liquor and malt and brewed beverages within the county. The ordinance shall be modeled on the act of June 10, 1971 (P.L.153, No.7), known as the First Class School District Liquor Sales Tax Act of 1971; and the rate of tax authorized under this subparagraph may not exceed the rate established under that act.

(ii) An excise tax on each renting of a rental vehicle in the county. The rate of tax authorized under this subparagraph may not exceed the rate established under section 2301(e) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971. As used in this subparagraph, the term "rental vehicle" has the meaning given to it in section 1601-A of the Tax Reform Code of 1971.

(2) (Reserved).

(c) Definition.--For purposes of this section, the term

1 "county of the second class" shall not include a county of the  
2 second class A.]

3 Section 2. Section 303 of Title 74, added July 18, 2007  
4 (P.L.169, No.44), is repealed:

5 [§ 303. Minority and women-owned business participation.

6 (a) General rule.--In administering the provisions of this  
7 title, the department and any local transportation organization  
8 shall:

9 (1) Be responsible for ensuring that all competitive  
10 contract opportunities issued by the department or local  
11 transportation organization seek to maximize participation by  
12 minority-owned and women-owned businesses and other  
13 disadvantaged businesses.

14 (2) Give consideration, when possible and cost  
15 effective, to contractors offering to utilize minority-owned  
16 and women-owned businesses and disadvantaged businesses in  
17 the selection and award of contracts.

18 (3) Ensure that the department's and local  
19 transportation organizations's commitment to the minority-  
20 owned and women-owned business program is clearly understood  
21 and appropriately implemented and enforced by all department  
22 and local transportation organization employees.

23 (4) Designate a responsible official to supervise the  
24 department and local transportation organization minority-  
25 owned and women-owned business program and ensure compliance  
26 within the department or local transportation organization.

27 (5) Furnish the Department of General Services, upon  
28 request, all requested information or assistance.

29 (6) Recommend sanctions to the Secretary of General  
30 Services, as may be appropriate, against businesses that fail

1 to comply with the policies of the Commonwealth minority-  
2 owned and women-owned business program. This paragraph shall  
3 not apply to a local transportation organization.

4 (b) Definitions.--As used in this section, the following  
5 words and phrases shall have the meanings given to them in this  
6 subsection:

7 "Disadvantaged business." A business that is owned or  
8 controlled by a majority of persons, not limited to members of  
9 minority groups, who are subject to racial or ethnic prejudice  
10 or cultural bias.

11 "Local transportation organization." Any of the following:

12 (1) A political subdivision or a public transportation  
13 authority, port authority or redevelopment authority  
14 organized under the laws of this Commonwealth or pursuant to  
15 an interstate compact or otherwise empowered to render,  
16 contract for the rendering of or assist in the rendering of  
17 transportation service in a limited area in this  
18 Commonwealth, even though it may also render or assist in  
19 rendering transportation service in adjacent states.

20 (2) A nonprofit association that directly or indirectly  
21 provides public transportation service.

22 (3) A nonprofit association of public transportation  
23 providers operating within this Commonwealth.

24 "Minority-owned business." A business owned and controlled  
25 by a majority of individuals who are African Americans, Hispanic  
26 Americans, Native Americans, Asian Americans, Alaskans or  
27 Pacific Islanders.

28 "Women-owned business." A business owned and controlled by a  
29 majority of individuals who are women.]

30 Section 3. Title 74 is amended by adding a chapter to read:

1 CHAPTER 13

2 PUBLIC TRANSPORTATION ASSISTANCE

3 Sec.

4 1301. Definitions.

5 1302. Program authorizations.

6 1303. Annual appropriation and computation of subsidy.

7 1304. Grant proposals.

8 1305. Rules and regulations.

9 1306. Cooperation with other governments and private  
10 interests.

11 1307. General authority of department.

12 1308. Grants by counties or municipalities.

13 1309. Limitation on decisions, findings and regulations of  
14 department.

15 1310. Distribution of funding.

16 1310.1. Supplemental public transportation assistance funding.

17 1311. Use of funds distributed.

18 1312. Community transportation programs.

19 1313. Additional programs.

20 1315. Public transportation grants management accountability.

21 § 1301. Definitions.

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

25 "Asset maintenance costs." All vehicle maintenance expenses,  
26 nonvehicle maintenance expenses and materials and supplies used  
27 in the operation of local transportation organizations and  
28 transportation companies.

29 "Average fare." Total passenger revenue divided by the total  
30 number of fare-paying passengers. With regard to the calculation

1 of average fare or base fare for the reimbursement of losses  
2 resulting from free service to senior citizens authorized by  
3 this part, the Department of Transportation shall not  
4 differentiate between bus services provided within an operating  
5 unit or division of any transit agency for any reason. Services  
6 funded under either the State urban or rural operating  
7 assistance programs will be considered separate operating units.

8 "Bus." A motor vehicle designed for carrying 15 or more  
9 passengers, exclusive of the driver, and used for the  
10 transportation of persons, and a motor vehicle, other than a  
11 taxicab, designed and used for the transportation of persons for  
12 compensation.

13 "Capital project." Any system of public passenger or public  
14 passenger and rail transportation, including, but not limited  
15 to, any railway, street railway, subway, elevated and monorail  
16 passenger or passenger and rail rolling stock, including self-  
17 propelled and gallery cars, locomotives, passenger buses and  
18 wires, poles and equipment for the electrification of any of the  
19 foregoing, rails, tracks, roadbeds, guideways, elevated  
20 structures, buildings, stations, terminals, docks, shelters,  
21 airports and parking areas for use in connection with public  
22 passenger or public passenger and rail transportation systems,  
23 interconnecting lines and tunnels to provide passenger or  
24 passenger and rail service connections between transportation  
25 systems, transportation routes, corridors, and rights-of-way for  
26 any thereof (but not for public highways), signal and  
27 communication systems necessary or desirable for the  
28 construction, operation or improvement of the public passenger  
29 or passenger and rail transportation system involved, or any  
30 improvement of or overhaul of any vehicle, equipment or

furnishings for any of the foregoing or any part, or fractional and undivided co-ownership or leasehold interest in any one or combination of any of the foregoing, that may be designated as a capital project by the secretary.

"Class 1 transit entity." A local transportation organization or transportation company operating 1,000 or more transit vehicles in the peak period.

"Class 2 transit entity." A local transportation organization or transportation company operating more than 300 but less than 1,000 transit vehicles in the peak period.

"Class 3 transit entity." A local transportation organization or transportation company operating 300 or less fixed-route transit vehicles in the peak period serving an urbanized area.

"Class 4 transit entity." Any local transportation organization or transportation company which serves a nonurbanized area and, during the 1990-1991 fiscal year, received or was approved to receive funding under the act of February 11, 1976 (P.L.14, No.10), known as the Pennsylvania Rural and Intercity Common Carrier Surface Transportation Assistance Act.

"Class 4 transit entity adjusted base grant." The State subsidy for operating expenses a Class 4 transit entity received during the 1990-1991 fiscal year, including any funds appropriated under the act of February 11, 1976 (P.L.14, No.10), known as the Pennsylvania Rural and Intercity Common Carrier Surface Transportation Assistance Act; adjusted for factors which, in the judgment of the Department of Transportation, caused significant increases or decreases in the amount of State subsidy to a Class 4 transit entity during the 1990-1991 fiscal

year; and further adjusted, with respect to any Class 4 transit entity which received a State subsidy for less than the entire 1990-1991 fiscal year, to reflect the annual subsidy that Class 4 transit entity would have received during that fiscal year if it had received a State subsidy for that entire fiscal year.

"Community transportation programs." Programs eligible to be funded pursuant to section 1312 (relating to community transportation programs).

"Construction." The term includes acquisition as well as construction.

"Counties." The term includes any county.

"County transportation system." Buses, vans or other transit vehicles purchased, maintained and operated by any county and used to provide free or reduced rate transportation within the county to persons 65 years of age or older.

"Department." The Department of Transportation of the Commonwealth.

"Equipment" and "furnishings." Any equipment and furnishings whatsoever as may be deemed desirable and required for a capital project and approved by the Department of Transportation for the use and occupancy of that capital project. The terms include the installation of such equipment and furnishings.

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

"Fixed-route public transportation services." Regularly scheduled transportation that is available to the general public and is provided according to published schedules along



designated published routes with specified stopping points for the taking on and discharging of passengers, including public bus and commuter rail systems. The term does not include exclusive ride taxi service, charter or sightseeing services, nonpublic transportation or school bus or limousine services.

"Fund." The Public Transportation Assistance Fund.

"Improvement." Any extension, enlargement, equipping, furnishing, as well as any improvement.

"Local transportation organization." Any political subdivision or any mass transportation, port, redevelopment or airport authority now or hereafter organized under the Laws of Pennsylvania or pursuant to an interstate compact or otherwise empowered to render, contract for the rendering or assist in the rendering of transportation service in a limited area in the Commonwealth of Pennsylvania, even though it may also render or assist in rendering transportation service in adjacent states, or any nonprofit association of public transportation providers within this Commonwealth.

"Materials and supplies." Those categories of expenses contained in object class code 504 as specified in the National Urban Mass Transportation Statistics, 1989 Section 15 Annual Report, Report No. UMTA-IT-06-0352-90-1.

"Municipality." Includes any city, borough, incorporated town or township.

"Nonurbanized area." Any area in this Commonwealth which does not fall within an area classified as "urbanized" by the United States Bureau of the Census of the United States Department of Commerce in the 1990 Census of Population or any area in this Commonwealth not classified as "urbanized" in any future decennial census of the United States.

1 "Nonvehicle maintenance expenses." The categories of costs  
2 associated with the inspection, maintenance and repair of assets  
3 other than vehicles, as specified in the National Urban Mass  
4 Transportation Statistics, 1989 Section 15 Annual Report, Report  
5 No. UMTA-IT-06-0352-90-1.

6 "Pennsylvania Mass Transit Statistical Report." The summary  
7 of selected financial and operating data concerning local  
8 transportation organizations and transportation companies for  
9 services in urbanized areas published annually by the Department  
10 of Transportation since the 1973-1974 fiscal year. The  
11 department shall publish the Pennsylvania Mass Transit  
12 Statistical Report on an annual basis, which report shall  
13 contain statistics with respect to the prior fiscal year,  
14 including those statistics needed for the department to make the  
15 calculations required pursuant to sections 1303 (relating to  
16 annual appropriation and computation of subsidy) and 1310  
17 (relating to distribution of funding), and such other material  
18 as the department shall determine.

19 "Pennsylvania Rural and Small Urban Public Transportation  
20 Program Statistical Report." The summary of selected financial  
21 and operating data concerning rural and small urban local  
22 transportation organizations and transportation companies for  
23 services in nonurbanized areas published by the Department of  
24 Transportation. The department shall publish the Pennsylvania  
25 Rural and Small Urban Public Transportation Program Statistical  
26 Report on an annual basis, which report shall contain statistics  
27 with respect to the prior fiscal year, including those  
28 statistics needed for the department to make the calculations  
29 required pursuant to sections 1303 (relating to annual  
30 appropriation and computation of subsidy) and 1310 (relating to

distribution of funding), and such other material as the  
department shall determine.

"Person." The term includes natural persons, firms,  
associations, corporations, business trusts, partnerships and  
public bodies, including local transportation organizations.

"Planning, development, research, rural expansion and  
department-initiated programs." Any program eligible to be  
funded pursuant to section 1313 (relating to additional  
programs).

"Project grant." The Commonwealth's share of the cost of  
carrying out the particular project, which cost may include  
costs incurred prior to the effective date of this part and  
which cost shall include an appropriate allowance for the  
administrative expenses involved in carrying out the project.

"Property." All property, real, personal or mixed, tangible  
or intangible, or any interest therein, including fractional and  
undivided co-ownership interests.

"Public highway." Every way or place, of whatever nature,  
open to the use of the public as a matter of right for purposes  
of vehicular travel. Solely for the purpose of administering  
this part, the term shall not be deemed to include a bridge  
located wholly within this Commonwealth which is open to the use  
of the public for the purpose of vehicular traffic but which on  
March 15, 1964, was owned and maintained by a mass  
transportation or port authority and which comprises a part of  
the transportation system of the mass transportation or port  
authority.

"Revenue hours." The total amount of time, calculated in  
hours, during which vehicles of a Class 4 transit entity are in  
service and available for public use as reported with respect to

1 the most recent fiscal year in the most recently issued  
2 Pennsylvania Rural and Small Urban Public Transportation  
3 Statistical Report.

4 "Revenue miles." The total number of in-service miles  
5 traveled by vehicles of a Class 4 transit entity as reported  
6 with respect to the most recent fiscal year in the most recently  
7 issued Pennsylvania Rural and Small Urban Public Transportation  
8 Statistical Report.

9 "Secretary." The Secretary of Transportation of the  
10 Commonwealth.

11 "Shared-ride public transportation services." Demand-  
12 responsive transportation that is available to the general  
13 public, operates on a nonfixed route basis and charges a fare to  
14 all riders. For transportation to be included in this definition  
15 the first fare-paying passengers to enter the public  
16 transportation vehicle must not refuse to share the vehicle with  
17 other passengers during a given trip. Services excluded under  
18 this definition are: exclusive ride taxi service; charter and  
19 sightseeing services; nonpublic transportation; school bus or  
20 limousine services.

21 "Transit vehicle." A self-propelled or electrically  
22 propelled vehicle designed for carrying 15 or more passengers,  
23 exclusive of the driver, other than a taxicab, designed and used  
24 for the transportation of persons for compensation, including,  
25 but not limited to, subway cars, trolleys, trackless trolleys  
26 and railroad passenger cars.

27 "Transportation company." Any person, firm or corporation  
28 rendering public passenger or public passenger and rail  
29 transportation service, with or without the rendering of other  
30 service, in this Commonwealth pursuant to common carrier

1 authorization from the Pennsylvania Public Utility Commission or  
2 the Interstate Commerce Commission.

3 "Urban common carrier mass transportation." Transportation  
4 within an area that includes a municipality or other built-up  
5 place which is appropriate, in the judgment of the Department of  
6 Transportation, for a common carrier transportation system to  
7 serve commuters or others in the locality, taking into  
8 consideration the local patterns and trends of urban growth, by  
9 bus or rail or other conveyance, either publicly or privately  
10 owned, serving the general public. The term does not include  
11 school buses or charter or sightseeing service.

12 "Urban Mass Transportation Act of 1964." Public Law 88-365,  
13 49 U.S.C. § 1601 et seq.

14 "Urbanized area." A portion of this Commonwealth classified  
15 as "urbanized" by the United States Bureau of the Census of the  
16 United States Department of Commerce in the 1990 Census of  
17 Population or any area in this Commonwealth classified as  
18 "urbanized" in any future decennial census of the United States.

19 "Vehicle hours." The total amount of time, calculated in  
20 hours, during which vehicles of a local transportation  
21 organization or transportation company are in service and  
22 available for public use, listed with respect to the most recent  
23 fiscal year reported in the most recently issued Pennsylvania  
24 Mass Transit Statistical Report.

25 "Vehicle maintenance expenses." The categories of costs  
26 associated with the inspection, maintenance and repair of  
27 vehicles as specified in the National Urban Mass Transportation  
28 Statistics, 1989 Section 15 Annual Report, Report No. UMTA-IT-  
29 06-0352-90-1.

30 "Vehicle miles." The total distance, calculated in miles,

1 which is funded in whole or in part by this part, traveled by  
2 vehicles of a local transportation organization or  
3 transportation company listed with respect to the most recent  
4 fiscal year reported in the most recently issued Pennsylvania  
5 Mass Transit Statistical Report.

6 § 1302. Program authorizations.

7 The department is hereby authorized, within the limitations  
8 hereinafter provided, and is required where the provisions of  
9 section 1303 (relating to annual appropriation and computation  
10 of subsidy) apply:

11 (1) To undertake and to provide financial support for  
12 research, by contract or otherwise, concerning urban common  
13 carrier mass transportation.

14 (2) To make grants to municipalities, counties, or their  
15 instrumentalities, and to agencies and instrumentalities of  
16 the Commonwealth to supplement Federal or local or Federal  
17 and local funds for use:

18 (i) For the purpose of studies, analysis, planning  
19 and development of programs for urban common carrier mass  
20 transportation service and facilities, and for the  
21 purpose of activities related to the planning,  
22 engineering and designing of specific projects which are  
23 a part of a comprehensive program, including, but not  
24 limited to, activities such as studies related to  
25 management, operations, capital requirements and economic  
26 feasibility, to the preparation of engineering and  
27 architectural surveys, plans and specifications and to  
28 other similar or related activities preliminary to and in  
29 preparation for the construction, acquisition or improved  
30 operation of urban common carrier mass transportation

1 systems, facilities and equipment. State funding under  
2 this subparagraph shall not exceed five-sixths of the  
3 non-Federal share of the project costs.

4 (ii) To provide for research, development and  
5 demonstration projects in all phases of urban common  
6 carrier mass transportation, including the development,  
7 testing and demonstration of new facilities, equipment,  
8 techniques and methods, to assist in the solution of  
9 urban transportation problems, in the improvement of mass  
10 transportation service and the contribution of such  
11 service toward meeting total urban transportation needs  
12 at minimum cost. State funding under this subparagraph  
13 shall not exceed five-sixths of the non-Federal share of  
14 the project costs.

15 (iii) To assist in providing grants to continue  
16 necessary service to the public, to permit needed  
17 improvements in service which are not self-supporting, to  
18 permit service which may be socially desirable but  
19 economically unjustified, and otherwise for any purpose  
20 in furtherance of urban common carrier mass  
21 transportation. The methodology for calculating the  
22 amount of the grant under this subparagraph shall be  
23 determined in accordance with section 1303. Each grant to  
24 a Class 1 transit entity, to a Class 2 transit entity or  
25 to a Class 3 transit entity made pursuant to this  
26 paragraph shall be matched by local or private funding in  
27 an amount not less than one-third of the total State  
28 grant made pursuant to section 1303(b). Any grants to  
29 Class 3 transit entities may, however, be matched by an  
30 amount not less than the amount of local or private

1        funding which is specified in the State contract for the  
2        1990-1991 fiscal year if the department shall have  
3        received a certification from such Class 3 transit entity  
4        that such lower level of local or private funding is  
5        adequate to prevent significant service reductions or  
6        passenger fare increases.

7        (3) To make grants to any transportation company or  
8        companies for use in providing necessary service to the  
9        public, to permit needed improvements in services which are  
10       not self-supporting, to permit services which may be socially  
11       desirable but economically unjustified, and otherwise for any  
12       purpose in furtherance of urban common carrier mass  
13       transportation. In view of the particular sensitivity of  
14       special instrumentalities and agencies of the Commonwealth  
15       created to serve or coordinate the local transportation needs  
16       of substantial metropolitan areas, no grant moneys may be  
17       used exclusively or principally in the local service area of  
18       any such agency or instrumentality in which a city or county  
19       of the first or second class has membership, except in  
20       accordance with a system of priorities agreed upon by the  
21       department and such agency or instrumentality. In the case of  
22       a grant where the moneys granted will be used for an activity  
23       to be conducted exclusively or principally within the local  
24       service areas of such agency or instrumentality, no grant  
25       moneys may be used except in accordance with agreements by  
26       the department and such agency or instrumentality with  
27       respect to such use. In the case of a grant not falling  
28       within the scope of the preceding sentence but where moneys  
29       granted will be used both within and without the local  
30       service area of such agency or instrumentality, the grant



1 shall require that the routes, schedules and fares applicable  
2 only within such service areas shall be those mutually agreed  
3 upon by the department and such agency or instrumentality. No  
4 agreement referred to in this paragraph shall impair,  
5 suspend, reduce, enlarge or extend or affect in any manner  
6 the powers of the Pennsylvania Public Utility Commission or  
7 the Interstate Commerce Commission otherwise applicable by  
8 law. Each grant to a Class 1 transit entity, to a Class 2  
9 transit entity or to a Class 3 transit entity made pursuant  
10 to this paragraph shall be matched by local or private  
11 funding in an amount not less than one-third of the total  
12 State grant made pursuant to section 1303(b). Any grants to  
13 Class 3 transit entities may, however, be matched by an  
14 amount not less than the amount of local or private funding  
15 which is specified in the State contract for the 1990-1991  
16 fiscal year if the department shall have received a  
17 certification from such Class 3 transit entity that such  
18 lower level of local or private funding is adequate to  
19 prevent significant service reductions and/or passenger fare  
20 increases.

21 (4) In connection with privately or locally assisted  
22 capital projects or capital projects financed with private or  
23 local and Federal funds, to make grants for approved capital  
24 projects to a local transportation organization or a  
25 transportation company, including the acquisition,  
26 construction, reconstruction and improvement of facilities  
27 and equipment, buses and other rolling stock, and other real  
28 or personal property, including land (but not public  
29 highways), needed for an efficient and coordinated mass  
30 transportation system for use, by operation, lease or

1 otherwise, in urban common carrier mass transportation  
2 service and in coordinating such service with highway and  
3 other transportation. No capital project grant shall be made  
4 for the purpose of financing, directly or indirectly, the  
5 acquisition of any interest in, or the purchase of any  
6 facilities or other property of, a private urban common  
7 carrier mass transportation company. Each capital project  
8 shall be based on a program or plan approved by the  
9 department. No capital project grant shall exceed five-sixths  
10 of the non-Federal share, subject, however, to the following  
11 specific exceptions:

12 (i) If two or more capital projects are combined for  
13 financing purposes, the amount of department funds used  
14 for any one of such projects may exceed five-sixths of  
15 the non-Federal share, provided that the total amount of  
16 department funds provided for all the projects so  
17 combined does not exceed five-sixths of the total non-  
18 Federal share of all of the projects so combined.

19 (ii) If a capital project is eligible to receive  
20 Federal financial assistance under the Urban Mass  
21 Transportation Act of 1964 and if the project application  
22 for such Federal financial assistance has been rejected  
23 or delayed because of a lack of Federal funds or if the  
24 normal amount of Federal grant cannot be provided because  
25 of a lack of Federal funds and if the department has  
26 determined that the capital project is essential and  
27 should proceed without delay, department funds for such  
28 capital project may be increased temporarily to finance  
29 the entire net project cost, with the requirement that,  
30 upon the availability of additional Federal funds and the

1 making to the capital project of a new or an additional  
2 Federal grant, the amount of department funds in excess  
3 of five-sixths of the non-Federal share be refunded to  
4 the department or be applied as the department may direct  
5 to help meet the department's share of the cost of  
6 another project in which the department is a participant.

7 (iii) If a project is ineligible to receive Federal  
8 financial assistance under the Urban Mass Transportation  
9 Act of 1964 and if the department has determined that the  
10 project is essential and should proceed without delay,  
11 the amount of department funds for such project shall be  
12 limited to an amount not to exceed one-half of the net  
13 project cost.

14 (5) To make grants from the State Lottery Fund in  
15 accordance with Chapter 7 of the act of August 14, 1991  
16 (P.L.342, No.36), known as the Lottery Fund Preservation Act.

17 (6) To participate in a pooled bus acquisition program  
18 with transportation companies or local transportation  
19 organizations and the Federal Government for the purpose of  
20 making buses available to transportation companies or local  
21 transportation organizations for use in urban common carrier  
22 mass transportation service, in accordance with the following  
23 procedures:

24 (i) The department may apply to the Urban Mass  
25 Transportation Administration of the United States  
26 Department of Transportation for the Federal share of any  
27 pooled-bus acquisition project.

28 (ii) The department may, with the assistance of the  
29 Department of General Services or a special group  
30 comprised of representatives of the transportation

1 companies or local transportation organizations within  
2 the Commonwealth, write specifications for and order  
3 buses on behalf of any number of transportation companies  
4 or local transportation organizations desiring bus  
5 acquisition under this program.

6 (iii) Before any order for buses is placed by the  
7 department with a manufacturer, the department shall  
8 secure written assurance from the Federal Government of  
9 the availability of Federal financial assistance for such  
10 bus acquisitions. The department shall also secure  
11 written obligations by the transportation companies or  
12 local transportation organizations participating in such  
13 bus acquisitions that they will accept delivery of such  
14 buses at the appropriate time and will supply local  
15 funding in accordance with subparagraph (iv).

16 (iv) Funding for this program shall be: four-fifths  
17 Federal, one-sixth State and one-thirtieth from local  
18 sources; however, the local share of program costs may be  
19 advanced to the manufacturer by the Commonwealth at the  
20 time of purchase. Repayments to the Commonwealth of such  
21 advancements shall be considered as augmentations to the  
22 fund from which the funds were advanced. No part of the  
23 Federal share shall be advanced by the Commonwealth in  
24 anticipation of reimbursement.

25 (v) The Commonwealth may take title to and delivery  
26 of vehicles acquired pursuant to this program for  
27 eventual transfer to transportation companies or local  
28 transportation organizations.

29 (vi) All bus acquisitions under this program shall  
30 be made in accordance with a system of competitive

1        bidding.

2            (vii) At its discretion, the department may organize  
3        and fund, with Commonwealth funds, postacquisition  
4        studies reasonably related to any pooled-bus acquisition  
5        made pursuant to this section, including, but not limited  
6        to, a vehicle inspection study at an appropriate interval  
7        or intervals following acquisition in order to monitor  
8        the condition of any vehicle purchased pursuant to this  
9        section.

10 § 1303. Annual appropriation and computation of subsidy.

11        (a) General rule.--Beginning with the 1991-1992 fiscal year,  
12 the Commonwealth shall annually determine the level of  
13 appropriation for public transportation assistance, using the  
14 standards contained in this section, to sufficiently fund and to  
15 make fully operative section 1302(2)(iii) and (3) (relating to  
16 program authorizations).

17        (b) Distribution as grants.--The General Assembly shall  
18 annually make an appropriation to the department for  
19 distribution as grants to local transportation organizations and  
20 transportation companies. The total amount of moneys  
21 appropriated shall be distributed by the department as grants to  
22 local transportation organizations and transportation companies  
23 in accordance with the provisions of this section.

24        (c) Distribution formula.--The department shall distribute  
25 the total amount appropriated under subsection (b) in the  
26 following manner:

27            (1) The department shall calculate the Class 4 transit  
28 entity share for the fiscal year.

29            (2) The department shall then calculate the amount of  
30 grant due to each Class 4 transit entity as follows:

1           (i) From the Class 4 transit entity share, each  
2           Class 4 transit entity shall first receive an amount  
3           equal to 100% of its Class 4 transit entity adjusted base  
4           grant.

5           (ii) With respect to any portion of the Class 4  
6           transit entity share remaining after each Class 4 transit  
7           entity receives an amount equal to 100% of its Class 4  
8           transit entity adjusted base grant:

9                   (A) Fifty percent of such excess shall be  
10                  distributed to Class 4 transit entities based upon  
11                  the percentage of the total amount of all Class 4  
12                  transit entity adjusted base grants given to Class 4  
13                  transit entities which a particular Class 4 transit  
14                  entity received.

15                  (B) Twenty-five percent of such excess shall be  
16                  distributed to Class 4 transit entities based upon  
17                  each transit entity's Class 4 revenue mile  
18                  percentage. The actual amount received by each Class  
19                  4 transit entity under this clause shall be  
20                  determined by multiplying a particular Class 4  
21                  transit entity's Class 4 revenue mile percentage  
22                  times 25% of such excess of the Class 4 transit  
23                  entity share.

24                  (C) Twenty-five percent of such excess shall be  
25                  distributed to Class 4 transit entities based upon  
26                  each transit entity's Class 4 revenue hour  
27                  percentage. The actual amount received by each Class  
28                  4 transit entity under this clause shall be  
29                  determined by multiplying a particular Class 4  
30                  transit entity's Class 4 revenue hour percentage

1           times 25% of such excess of the Class 4 transit  
2           entity share.

3           (3) All Class 4 transit entities may utilize all of the  
4           funds received pursuant to this section for any purpose in  
5           furtherance of public transportation. Each grant made to a  
6           Class 4 transit entity pursuant to this section shall,  
7           however, be matched by local or private funding in an amount  
8           not less than one-third of the total State grant made  
9           pursuant to subsection (c). Additionally, any grants to Class  
10          4 transit entities may be matched by an amount not less than  
11          the amount of local or private funding which is specified in  
12          the State contract for the 1990-1991 fiscal year if the  
13          department shall have received a certification from such  
14          Class 4 transit entity that such lower level of local or  
15          private funding is adequate to prevent significant service  
16          reductions or passenger fare increases.

17          (4) The department shall calculate the Class 1 transit  
18          entity share, the Class 2 transit entity share and the Class  
19          3 transit entity share for the fiscal year.

20          (5) The department shall then calculate the amount of  
21          grant due to each local transportation organization and  
22          transportation company as follows:

23               (i) Each Class 1 transit entity shall receive a  
24               prorata share of the Class 1 transit entity share. If  
25               there is only one Class 1 transit entity, it shall  
26               receive the entire Class 1 transit entity share.

27               (ii) Each Class 2 transit entity shall receive a  
28               prorata share of the Class 2 transit entity share. If  
29               there is only one Class 2 transit entity, it shall  
30               receive the entire Class 2 transit entity share.

1           (iii) Each Class 3 transit entity shall receive a  
2           portion of the Class 3 transit entity share calculated as  
3           follows:

4           (A) From the Class 3 transit entity share, each  
5           Class 3 transit entity shall first receive an amount  
6           equal to 100% of its Class 3 transit entity adjusted  
7           base grant.

8           (B) With respect to any portion of the Class 3  
9           transit entity share remaining after each Class 3  
10          transit entity receives an amount equal to 100% of  
11          its Class 3 transit entity adjusted base grant:

12           (I) Fifty percent of such excess shall be  
13           distributed to Class 3 transit entities based  
14           upon the percentage of all Class 3 transit entity  
15           adjusted base grants given to Class 3 transit  
16           entities which a particular Class 3 transit  
17           entity received.

18           (II) Twenty-five percent of such excess  
19           shall be distributed to Class 3 transit entities  
20           based upon each transit entity's Class 3 vehicle  
21           mile percentage. The actual amount received by  
22           each Class 3 transit entity under this subclause  
23           shall be determined by multiplying a particular  
24           Class 3 transit entity's Class 3 vehicle mile  
25           percentage times 25% of such excess of the Class  
26           3 transit entity share.

27           (III) Twenty-five percent of such excess  
28           shall be distributed to Class 3 transit entities  
29           based upon each Class 3 transit entity's Class 3  
30           operating revenue percentage. The actual amount



1           received by each Class 3 transit entity under  
2           this subclause shall be determined by multiplying  
3           a particular Class 3 transit entity's Class 3  
4           operating revenue percentage times 25% of such  
5           excess of the Class 3 transit entity share.

6           (6) On or about each July 1, October 1, January 1 and  
7           April 1 of each year commencing July 1, 1987, the department  
8           shall disburse 25% of the total annual amount due to each  
9           local transportation organization or transportation company  
10          calculated in accordance with this section.

11          (d) New organizations.--Should a new local transportation  
12          organization or transportation company be established and meet  
13          the criteria of a Class 1 transit entity, Class 2 transit  
14          entity, Class 3 transit entity or Class 4 transit entity as such  
15          criteria are set forth in section 1301 (relating to  
16          definitions), the department shall make an appropriate  
17          determination as to the level of grant to which such local  
18          transportation organization or transportation company shall be  
19          entitled. This determination shall include, but shall not be  
20          limited to, a determination as to an appropriate adjusted base  
21          grant for that local transportation organization or  
22          transportation company and a determination of appropriate  
23          adjustments to class percentages or transit entity shares.

24          (e) Change to different entity class.--If, during any fiscal  
25          year, either the number of vehicles operated by a local  
26          transportation organization or transportation company or the  
27          area served by such a local transportation organization or  
28          transportation company changes so that the local transportation  
29          organization or transportation company meets the criteria for a  
30          different transit entity class, as such criteria are set forth

in section 1301, on or before July 15 of the fiscal year which follows such a change and in each fiscal year thereafter, the department shall reflect any change in the transit entity class of such a local transportation organization or transportation company in its calculation of the transit entity shares for each transit entity class for that and subsequent fiscal years. In its calculation of the transit entity shares for each transit entity class required by this section, for the fiscal year following the change in a local transportation organization or transportation company's transit entity class and thereafter, the department shall include the amount of the transit entity share allocated to such a local transportation organization or transportation company for the fiscal year prior to the change in the transit entity class, in the transit entity share for the new transit entity class of such a local transportation organization or transportation company, and shall delete an equal amount from the transit entity share for the transit entity class for which such a local transportation organization or transportation company no longer meets the criteria in the new fiscal year or thereafter.

(f) Rates, fares and charges.--

(1) Each local transportation organization or transportation company receiving moneys pursuant to this section shall annually fix such rates, fares and charges in such manner that they shall be at all times sufficient in the aggregate, and in conjunction with any moneys received from Federal or other sources, and any other income available to such organization or company, to provide funds for the payment of all operating costs and expenses which shall be incurred by such organization or company.

1       (2) In order to be eligible for the moneys described in  
2 paragraph (1), each local transportation organization or  
3 transportation company shall adopt an annual operating budget  
4 for each fiscal year no later than the last day of the  
5 preceding fiscal year. A copy of this operating budget shall  
6 be submitted to the department within ten days after its  
7 approval, along with a certification by the local  
8 transportation organization or transportation company that  
9 adequate revenues (including subsidies) are provided to  
10 support operating costs and expenses.

11 (g) Standards and measures.--

12       (1) Within one year after the effective date of this  
13 part and every year thereafter, each local transportation  
14 organization or transportation company receiving moneys  
15 pursuant to this section shall adopt a series of service  
16 standards and performance evaluation measures. Such standards  
17 and measures shall be in addition to the performance audits  
18 required by section 1315 (relating to public transportation  
19 grants management accountability) and shall consist of  
20 objectives and specific numeric performance levels to be  
21 achieved in meeting these standards and objectives. Those  
22 standards and measures adopted shall include the following,  
23 in addition to others deemed appropriate by the local  
24 transportation organization or transportation company:

25       (i) An automatic mechanism to review the utilization  
26 of routes.

27       (ii) Staffing ratios (ratio of administrative  
28 employees to operating employees; number of vehicles per  
29 mechanic).

30       (iii) Productivity measures (vehicle miles per

1 employee; passenger and employee accidents per 100,000  
2 vehicle miles; on-time performance; miles between road  
3 calls).

4 (iv) Fiscal indicators (operating cost per  
5 passenger; subsidy per passenger and operating ratio).

6 (iv.1) Reasonable minimum prequalification standards  
7 for prospective transit service subcontractors.

8 (v) Any other matter desired by the governing body  
9 of such local transportation organization or  
10 transportation company.

11 (2) The service standards and performance evaluation  
12 measures shall be established by formal action of the  
13 governing body of such local transportation organization or  
14 transportation company following an opportunity for comment  
15 by the public and the department. Upon submission, the  
16 department will review and may make recommendations to the  
17 local transportation organization or transportation company  
18 concerning the service standards and performance evaluation  
19 measures.

20 (3) In the discretion of such governing body, the  
21 service standards and performance evaluation measures may be  
22 systemwide or based on a sampling.

23 (4) The service standards and performance evaluation  
24 measures shall only constitute goals for such local  
25 transportation organization or transportation company in  
26 providing service in the year following their adoption. At  
27 the end of such year, fiscal or calendar, as the case may be,  
28 a report shall be transmitted to the department for its  
29 consideration indicating the projected performance levels and  
30 the performance levels actually achieved. Upon submission,

1 the department will review the report and may make  
2 recommendations to such local transportation organization or  
3 transportation company concerning the performance levels  
4 actually achieved. Such report shall be released to the  
5 public at the time of issuance.

6 (5) The department may suspend the eligibility for  
7 future discretionary transit grant funds of any transit  
8 entity which fails to comply with the provisions of this  
9 section. The department shall restore the discretionary  
10 funding eligibility of a suspended transit entity at such  
11 time as the requirements of this section are met in an  
12 amended application received by the department.

13 (h) Reduction of certain grants.--With respect to grants to  
14 Class 1 transit entities and Class 2 transit entities in any  
15 fiscal year, the department shall reduce the grant amount due to  
16 such local transportation organization or transportation company  
17 by an amount equal to 1% of such grant moneys otherwise due to  
18 such local transportation organization or transportation company  
19 for each percentage point such local transportation  
20 organization's or transportation company's operating ratio is  
21 less than 50% in the case of a Class 1 transit entity or less  
22 than 46% in the case of a Class 2 transit entity.

23 (i) Audits.--The department is authorized to perform  
24 independent financial audits of the financial statements of each  
25 local transportation organization or transportation company  
26 receiving moneys pursuant to this section. Such audits shall be  
27 conducted in accordance with generally accepted auditing  
28 standards. Any financial statements subject to such audit or  
29 reports resulting from such audit shall be prepared and  
30 presented in accordance with generally accepted accounting

principles, consistently applied with previous statements  
rendered for or on behalf of such organization or company. The  
department may coordinate such audits in conjunction with audits  
undertaken by the Auditor General.

(j) Definitions.--As used in this section, the following  
words and phrases shall have the meanings given to them in this  
subsection:

"Class 1 percentage." Seventy percent.

"Class 2 percentage." Twenty-five and three-tenths percent.

"Class 3 percentage." Four and seven-tenths percent.

"Class 1 to 3 allocation." The total amount appropriated  
under subsection (b) less the Class 4 transit entity share.

"Class 1 transit entity share." The product of the Class 1  
percentage times the Class 1 to 3 allocation in a particular  
fiscal year.

"Class 2 transit entity share." The product of the Class 2  
percentage times the Class 1 to 3 allocation in a particular  
fiscal year.

"Class 3 transit entity adjusted base grant." The State  
subsidy which a Class 3 transit entity received during the 1990-  
1991 fiscal year, including Federal funds transferred from other  
local transportation organizations and transportation companies  
from the Federal fiscal year 1989-1990 pursuant to the  
Governor's apportionment allocation contained in the Urban Mass  
Transportation Act of 1964.

"Class 3 transit entity share." The product of the Class 3  
percentage times the Class 1 to 3 allocation in a particular  
fiscal year.

"Class 3 vehicle mile percentage." The percentage determined  
by dividing the vehicle miles of a Class 3 transit entity with

respect to the most recent fiscal year as reported in the most recently issued Pennsylvania Mass Transit Statistical Report by the total number of vehicle miles of all Class 3 transit entities with respect to the most recent fiscal year as reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

"Class 4 revenue hour percentage." The percentage determined by dividing the revenue hours of a Class 4 transit entity as reported with respect to the most recent fiscal year in the most recently issued Pennsylvania Rural and Small Urban Public Transportation Statistical Report by the total number of revenue hours of all Class 4 transit entities as reported with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Rural and Small Urban Public Transportation Statistical Report.

"Class 4 revenue mile percentage." The percentage determined by dividing the revenue miles of a Class 4 transit entity as reported with respect to the most recent fiscal year in the most recently issued Pennsylvania Rural and Small Urban Public Transportation Statistical Report by the total revenue miles of all Class 4 transit entities as reported with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Rural and Small Urban Public Transportation Statistical Report.

"Class 4 transit entity share." Two million three hundred thirty-five thousand dollars for the 1991-1992 fiscal year and, during the 1992-1993 fiscal year and each fiscal year thereafter, shall mean the Class 4 transit entity share for the prior fiscal year plus (or minus) the product of the Class 4 transit entity share for the prior fiscal year times the

percentage increase or decrease in the total operating assistance made available to local transportation organizations and transportation companies for that fiscal year as compared with the most recently completed fiscal year.

"Operating ratio." The proportion of total operating revenue (which shall include all passenger, charter and advertising revenue, fare reimbursement received from the State Lottery Fund and all other receipts associated with the delivery of transit services, but shall exclude Federal grants provided to cover operating losses and State grants made pursuant to subsection (b)) divided by total operating expenses associated with day-to-day operation of the system (but excluding depreciation of capital assets).

"Operating revenue." The total revenue earned by a local transportation organization or transportation company through its transit operations, including, but not limited to, passenger revenue, senior citizen grant, charter revenue, school contract revenue, advertising and other revenue listed with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

"Operating revenue percentage." The percentage determined by dividing the operating revenues of a local transportation organization or transportation company as reported in the most recently issued Pennsylvania Mass Transit Statistical Report by the total operating revenue of all local transportation organizations or transportation companies as reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

§ 1304. Grant proposals.

(a) General rule.--Grants may be made hereunder with



1 reference to any appropriate project irrespective of when it was  
2 first commenced or considered and regardless of whether costs  
3 with respect thereto shall have been incurred prior to the time  
4 the grant is applied for or made.

5 (b) Applications.--The governing bodies of municipalities,  
6 counties or their instrumentalities, and agencies and  
7 instrumentalities of the Commonwealth may, by formal resolution,  
8 apply and transportation companies by application may apply to  
9 the department for State grant funds provided by this chapter.  
10 If the action is taken by a governing body, a certified copy of  
11 the resolution and, in the case of transportation companies, an  
12 application shall be forwarded to the department with a proposal  
13 of the governing body or company, which shall set forth the use  
14 to be made of State grant funds and the amount of funds required  
15 or, in the case of grants under section 1303 (relating to annual  
16 appropriation and computation of subsidy), which shall set forth  
17 a request that the grant provided for under section 1303 be  
18 made.

19 (c) Preference for coordinated systems.--The department  
20 shall give preference to any proposal which will assist in  
21 carrying out a plan, meeting criteria established by the  
22 department, for a unified or officially coordinated urban  
23 transportation system as a part of the comprehensively planned  
24 development of the urban area, which is necessary for the sound,  
25 economic and desirable development of such area and which shall  
26 encourage to the maximum extent feasible the participation of  
27 private enterprise. This subsection shall not apply to grants  
28 made pursuant to section 1303.

29 (d) Use of grants.--The use of the State grant funds shall  
30 be for the purposes set forth in section 1302 (relating to

1 program authorizations) and, without limiting the generality of  
2 the foregoing, may be used for local contributions required by  
3 the Urban Mass Transportation Act of 1964 or other Federal law  
4 concerning common carrier mass transportation.

5 (e) Grant agreement.--

6 (1) The department shall review the proposal and, if  
7 satisfied that the proposal is in accordance with the  
8 purposes of this chapter, shall enter into a grant agreement  
9 subject to the condition that the grant be used in accordance  
10 with the terms of the proposal. With respect to grants made  
11 pursuant to section 1303, the department shall make such  
12 grants subject to the condition that the grants be used for  
13 the purposes set forth in section 1302 and, where applicable,  
14 only after the certification required in section 1302(2)(iii)  
15 and (3) shall have been made.

16 (2) The time of payment of the grant and any conditions  
17 concerning such payment shall be set forth in the grant  
18 agreement.

19 § 1305. Rules and regulations.

20 In order to effectuate and enforce the provisions of this  
21 chapter, the department is authorized to promulgate necessary  
22 rules and regulations and prescribe conditions and procedures in  
23 order to assure compliance in carrying out the purposes for  
24 which grants may be made hereunder.

25 § 1306. Cooperation with other governments and private  
26 interests.

27 (a) General rule.--The department is directed to administer  
28 this program with such flexibility as to permit full cooperation  
29 between Federal, State and local governments, agencies and  
30 instrumentalities, as well as private interests, so as to result

1 in as effective and economical a program as possible.

2 (b) Agreements.--The department is hereby authorized to  
3 enter into agreements providing for mutual cooperation between  
4 or among it and any Federal agency, local transportation  
5 organization or transportation company concerning any or all  
6 projects, including joint applications for Federal grants.

7 § 1307. General authority of department.

8 It is the purpose and intent of this chapter to authorize the  
9 department to do any and all other things necessary or desirable  
10 to secure the financial aid or cooperation of any Federal agency  
11 in any of the department's projects and to do and perform all  
12 things which may be required by any statute of the United States  
13 of America or by the lawful requirements of any Federal agency  
14 authorized to administer any program of Federal aid to  
15 transportation. The department is expressly permitted to enter  
16 into protective agreements with labor to the extent required  
17 under 49 U.S.C. § 5333 (relating to labor standards) in order to  
18 obtain Federal grant moneys for transportation assistance. Such  
19 protective agreements shall be narrowly drawn and strictly  
20 construed to provide no more than the minimum protections  
21 required by the United States Department of Labor for such  
22 agreements.

23 § 1308. Grants by counties or municipalities.

24 Any county or municipality in any metropolitan area which is  
25 a member of a local transportation organization is authorized to  
26 make annual grants from current revenues to local transportation  
27 organizations to assist in defraying the costs of operations,  
28 maintenance and debt service of local transportation  
29 organization or of a particular mass transportation project of a  
30 local transportation organization and to enter into long-term

agreements providing for the payment of the same. The obligation of a municipality or county under any such agreement shall not be considered to be a part of its indebtedness, nor shall such obligation be deemed to impair the status of any indebtedness of such municipality or county which would otherwise be considered as self-sustaining.

§ 1309. Limitation on decisions, findings and regulations of department.

All decisions, findings and regulations made by the department pursuant to this chapter shall be for the purposes of this chapter only and shall not constitute evidence before any regulatory body of this Commonwealth or any other jurisdiction.

§ 1310. Distribution of funding.

(a) General rule.--All moneys made available and required to be used for capital projects, asset maintenance and other programs specified in this section shall be distributed in accordance with the formula specified in this section and used strictly in accordance with section 1311 (relating to use of funds distributed).

(b) Distribution procedure.--During each fiscal year, capital project, asset maintenance and other program funds shall be distributed as follows:

(1) On or before the fifth day of each month, the Treasury Department shall certify to the department the total amount then available for distribution, and the department shall make distribution of payments required under this subsection on or before the 20th day of each month.

(2) Beginning in the 1991-1992 fiscal year, each month, the Treasury Department shall pay one-twelfth of the Department of Transportation project management oversight

1 share for that fiscal year into the General Fund. The moneys  
2 so transferred are hereby appropriated to the Department of  
3 Transportation for use by that department for expenses  
4 related to project management and oversight of capital and  
5 asset maintenance projects funded pursuant to this section.

6 (3) Each month, the Treasury Department shall pay one-  
7 twelfth of the community transportation program section 1310  
8 share for that fiscal year into the General Fund. The funds  
9 so transferred are hereby appropriated to the Department of  
10 Transportation to make grants to counties, pursuant to  
11 section 1312 (relating to community transportation programs),  
12 for the purpose of funding capital projects of community  
13 transportation programs.

14 (4) Each month, the Treasury Department shall pay the  
15 planning, development, research, rural expansion and  
16 department-initiated programs section 1310 share for that  
17 month into the General Fund. The funds so transferred are  
18 hereby appropriated to the Department of Transportation to  
19 incur costs directly or to make grants to local  
20 transportation organizations or transportation companies, or  
21 entities which seek to become local transportation  
22 organizations or transportation companies, pursuant to  
23 section 1312, for the purpose of funding planning,  
24 development, research, rural expansion and department-  
25 initiated programs.

26 (5) Each month, the department shall distribute one-  
27 twelfth of the Class 4 transit entity section 1310 share to  
28 Class 4 transit entities in the manner provided in this  
29 paragraph. Each Class 4 transit entity shall receive a  
30 portion of each monthly distribution of the Class 4 transit

entity section 1310 share as follows:

(i) Fifty percent of the monthly distribution of the Class 4 transit entity section 1310 share shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 operating assistance grant section 1310 percentage. The actual amount received by each Class 4 transit entity under this subparagraph shall be determined by multiplying a particular Class 4 transit entity's Class 4 operating assistance grant section 1310 percentage times the total amount available for distribution under this subparagraph.

(ii) Twenty-five percent of the monthly distribution of the Class 4 transit entity section 1310 share shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 revenue mile section 1310 percentage. The actual amount received by each Class 4 transit entity under this subparagraph shall be determined by multiplying a particular Class 4 transit entity's Class 4 revenue mile section 1310 percentage times the total amount available for distribution under this subparagraph.

(iii) Twenty-five percent of the monthly distribution of the Class 4 transit entity section 1310 share shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 revenue hour section 1310 percentage. The actual amount received by each Class 4 transit entity under this subparagraph shall be determined by multiplying a particular Class 4 transit entity's Class 4 transit entity revenue hour section 1310 percentage times the total amount available for

distribution under this subparagraph.

(6) Each month, after providing for payment of the portion of the Department of Transportation project management oversight share, the community transportation program section 1310 share, the planning, development, research, rural expansion and department-initiated programs section 1310 shares and the Class 4 transit entity section 1310 share to be distributed that month, the department shall distribute all remaining capital project, asset maintenance and other program funds as follows:

(i) Each Class 1 transit entity shall receive a prorata share of the Class 1 transit entity section 1310 share. If there is only one Class 1 transit entity, it shall receive the entire Class 1 transit entity section 1310 share.

(ii) Each Class 2 transit entity shall receive a prorata share of the Class 2 transit entity section 1310 share. If there is only one Class 2 transit entity, it shall receive the entire Class 2 transit entity section 1310 share.

(iii) Each Class 3 transit entity shall receive a portion of the Class 3 transit entity section 1310 share as follows:

(A) Sixteen and sixty-seven hundredths percent of the Class 3 transit entity section 1310 share shall be distributed to Class 3 transit entities based upon each transit entity's Class 3 vehicle mile section 1310 percentage. The actual amount received by each Class 3 transit entity under this clause shall be determined by multiplying a particular Class

1       3 transit entity's Class 3 vehicle mile section 1310  
2       percentage times the total amount available for  
3       distribution under this clause.

4       (B) Sixteen and sixty-seven hundredths percent  
5       of the Class 3 transit entity section 1310 share  
6       shall be distributed to Class 3 transit entities  
7       based upon each transit entity's Class 3 vehicle hour  
8       section 1310 percentage. The actual amount received  
9       by each Class 3 transit entity under this clause  
10       shall be determined by multiplying a particular Class  
11       3 transit entity's Class 3 vehicle hour section 1310  
12       percentage times the total amount available for  
13       distribution under this clause.

14       (C) Sixteen and sixty-six hundredths percent of  
15       the Class 3 transit entity section 1310 share shall  
16       be distributed to Class 3 transit entities based upon  
17       each transit entity's Class 3 total passenger section  
18       1310 percentage. The actual amount received by each  
19       Class 3 transit entity under this clause shall be  
20       determined by multiplying a particular Class 3  
21       transit entity's Class 3 total passenger section 1310  
22       percentage times the total amount available for  
23       distribution under this clause.

24       (D) Twenty-five percent of the Class 3 transit  
25       entity section 1310 share shall be distributed to  
26       Class 3 transit entities based upon each transit  
27       entity's Class 3 Federal operating cap percentage.  
28       The actual amount received by each Class 3 transit  
29       entity under this clause shall be determined by  
30       multiplying a particular Class 3 transit entity's



1           Class 3 Federal operating cap percentage times the  
2           total amount available for distribution under this  
3           clause.

4           (E) Twenty-five percent of the Class 3 transit  
5           entity section 1310 share shall be distributed to  
6           Class 3 transit entities based upon each transit  
7           entity's Class 3 State operating grant percentage.  
8           The actual amount received by each Class 3 transit  
9           entity under this clause shall be determined by  
10          multiplying a particular Class 3 transit entity's  
11          Class 3 State operating grant percentage times the  
12          total amount available for distribution under this  
13          clause.

14          (c) Change of classification.--If, during any fiscal year,  
15          either the number of vehicles operated by a local transportation  
16          organization or transportation company or the area served by  
17          such a local transportation organization or transportation  
18          company changes so that the local transportation organization or  
19          transportation company meets the criteria for a different  
20          transit entity class, as such criteria are set forth in section  
21          1301 (relating to definitions), on or before July 15 of the  
22          fiscal year which follows such a change and in each fiscal year  
23          thereafter, the department shall reflect any change in the  
24          transit entity class of such a local transportation organization  
25          or transportation company in the Department of Transportation  
26          certification for that and subsequent fiscal years. In its  
27          calculation of the transit entity section 1310 shares for each  
28          transit entity class required by subsection (g)(1) and the  
29          transit entity section 1310.1 shares for each transit entity  
30          class required by subsection (g)(1) for the fiscal year

1 following the change in a local transportation organization or  
2 transportation company's transit entity class and thereafter,  
3 the department shall include the amount of the transit entity  
4 sections 1310 and 1310.1 shares allocated to such a local  
5 transportation organization or transportation company for the  
6 fiscal year prior to the change in the transit entity class, in  
7 the transit entity sections 1310 and 1310.1 shares for the new  
8 transit entity class of such a local transportation organization  
9 or transportation company, and shall delete an equal amount from  
10 the transit entity sections 1310 and 1310.1 shares for the  
11 transit entity class for which such a local transportation  
12 organization or transportation company no longer meets the  
13 criteria in the new fiscal year. No local transportation  
14 organization or transportation company which has changed from  
15 one transit entity class to another due to either an increase in  
16 the number of vehicles operated or the United States Census  
17 Bureau's declaring its service area an urbanized area shall  
18 receive less than the amount transferred on its account by the  
19 department pursuant to this section.

20 (d) Oversight.--The department shall initiate and maintain a  
21 program of review and oversight for any projects receiving funds  
22 distributed pursuant to this section and section 1310.1  
23 (relating to supplemental public transportation assistance  
24 funding). The department is authorized to perform independent  
25 financial audits of the financial statements of each local  
26 transportation organization, transportation company or community  
27 transportation program receiving moneys pursuant to this  
28 section. These audits shall be conducted in accordance with  
29 generally accepted auditing standards. Any financial statements  
30 subject to the audit or reports resulting from the audit shall

1 be prepared and presented in accordance with generally accepted  
2 accounting principles, consistently applied with previous  
3 statements rendered for or on behalf of such organization or  
4 company. The department may coordinate such audits in  
5 conjunction with audits undertaken by the Auditor General.

6 (e) Fiscal year and capital budget.--

7 (1) The governing body of each local transportation  
8 organization or transportation company shall establish a  
9 fiscal year for capital programs. No later than the last day  
10 of each fiscal year for capital programs, each local  
11 transportation organization or transportation company  
12 receiving moneys pursuant to this section shall adopt a  
13 capital budget and an asset maintenance spending plan for  
14 submission to the department.

15 (2) The capital budget shall include the following:

16 (i) A description of any such project.

17 (ii) The projected cost of any project to be  
18 undertaken, including supporting cash flow.

19 (iii) The duration of any such project, including  
20 the projected starting date, completion date and  
21 projected useful life of the project.

22 (iv) The proposed funding sources for any project.

23 (v) A description of projects completed in the prior  
24 fiscal year and their impact on operations.

25 (vi) A description of progress to date on projects  
26 initiated in the prior fiscal year but not yet completed.

27 (vii) An explanation of any significant project  
28 delays.

29 (viii) The use of funds under this section in the  
30 prior fiscal year, including projects for which they were

1       used.

2           (ix) A multiyear plan for future use of funds  
3       received under this section for a period of not less than  
4       five years.

5           (x) Any other matter desired by the governing body  
6       of such local transportation organization or  
7       transportation company.

8       (3) The asset maintenance spending plan shall include:

9           (i) The amount of moneys expended for asset  
10       maintenance costs.

11          (ii) The purposes for which such funds were  
12       expended.

13          (iii) Those asset maintenance costs which are  
14       projected to be funded during the subsequent twelve  
15       months by the local transportation organization or  
16       transportation company.

17          (iv) A multiyear plan for future use of funds  
18       received under this section for a period of not less than  
19       five years.

20       (4) The capital budget and the asset maintenance  
21       spending plan shall be established by formal action of the  
22       governing body of such local transportation organization or  
23       transportation company following an opportunity for comment  
24       by the public and the department. Upon submission, the  
25       department will review and may make recommendations to the  
26       local transportation organization or transportation company  
27       concerning the capital budget and asset maintenance spending  
28       plan.

29       (5) The capital budget and the asset maintenance  
30       spending plan may be amended by formal action of the

governing body of such local transportation organization or transportation company from time to time. Any amendments to the capital budget and the asset maintenance spending plan shall be transmitted to the department for its review, and the department may make recommendations to the local transportation organization or transportation company concerning any amendments to the capital budget and the asset maintenance spending plan.

(f) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Capital project, asset maintenance and other program funds." Moneys made available to finance capital projects and asset maintenance costs of local transportation organizations, transportation companies or community transportation programs or to fund other programs specified in this section from:

(1) any fund of the Commonwealth where the legislation creating such fund references this part and states that some or all of the moneys in such fund are to be used to finance capital projects and asset maintenance costs of local transportation organizations, transportation companies or community transportation programs and to fund certain other programs; or

(2) any other source, where such moneys are made available specifically to finance capital projects and asset maintenance costs of local transportation organizations, transportation companies or community transportation programs in accordance with this section.

"Class 1 section 1310 percentage." Seventy and three-tenths percent.

"Class 2 section 1310 percentage." Twenty-five and four-  
tenths percent.

"Class 3 section 1310 percentage." Four and three-tenths  
percent.

"Class 1 to 3 section 1310 allocation." The total amount of  
capital project, asset maintenance and other program funds  
available for distribution by the Treasury Department during a  
particular month, less:

(1) the amount of the Department of Transportation  
project management oversight share to be paid each month  
under subsection (b)(2);

(2) the amount of the community transportation program  
section 1310 share to be paid each month under subsection  
(b)(3);

(3) the amount of the planning, development, research,  
rural expansion and department-initiated programs section  
1310 share; and

(4) the amount of the Class 4 transit entity section  
1310 share to be paid each month under subsection (b)(5).

"Class 1 transit entity section 1310 share." The product of  
the Class 1 section 1310 percentage times the Class 1 to 3  
section 1310 allocation.

"Class 2 transit entity section 1310 share." The product of  
the Class 2 section 1310 percentage times the monthly Class 1 to  
3 allocation.

"Class 3 transit entity section 1310 share." The product of  
the Class 3 section 1310 percentage times the monthly Class 1 to  
3 allocation.

"Class 4 transit entity section 1310 share." Four million  
dollars during the 1991-1992 fiscal year and \$4,160,000 during

1 the 1992-1993 fiscal year. During the 1993-1994 through 1996-  
2 1997 fiscal years, the term shall mean the Class 4 transit  
3 entity section 1310 share for the prior fiscal year plus (or  
4 minus) the product of the Class 4 transit entity section 1310  
5 share for the prior fiscal year times the percentage increase or  
6 decrease in the total funds available for distribution pursuant  
7 to this section received by the Treasury Department in the most  
8 recently completed fiscal year as compared with the prior fiscal  
9 year. For the 1997-1998 fiscal year and each fiscal year  
10 thereafter, the term shall mean 2.8% of the total amount of  
11 capital project, asset maintenance and other program funds  
12 projected by the department to be available under this section  
13 for distribution during the subject fiscal year.

14 "Class 3 Federal operating cap percentage." The percentage  
15 determined by dividing the Federal operating ceiling for a Class  
16 3 transit entity by the total Federal operating ceilings for all  
17 Class 3 transit entities.

18 "Class 3 State operating grant percentage." The percentage  
19 determined by dividing the State subsidy received pursuant to  
20 section 1303 (relating to annual appropriation and computation  
21 of subsidy) during fiscal year 1990-1991 by a Class 3 transit  
22 entity as stated in the latest Department of Transportation  
23 certification by the total State subsidies received pursuant to  
24 section 1303 during fiscal year 1990-1991 by all Class 3 transit  
25 entities as stated in the latest Department of Transportation  
26 certification. For purposes of calculating the amount received  
27 by a Class 3 transit entity pursuant to section 1303, any  
28 Federal funds transferred from other local transportation  
29 organizations and transportation companies from the Federal  
30 fiscal year 1990-1991 Governor's apportionment allocation,

1 contained in the Urban Mass Transportation Act of 1964, shall be  
2 considered to be amounts received pursuant to section 1303.

3 "Class 3 total passenger section 1310 percentage." The  
4 percentage determined by dividing the total passengers  
5 transported by a Class 3 transit entity as stated in the latest  
6 Department of Transportation certification by the total number  
7 of passengers transported by all Class 3 transit entities as  
8 stated in the latest Department of Transportation certification.

9 "Class 3 vehicle hour section 1310 percentage." The  
10 percentage determined by dividing the vehicle hours of a Class 3  
11 transit entity as stated in the latest Department of  
12 Transportation certification by the total number of vehicle  
13 hours of all Class 3 transit entities as stated in the latest  
14 Department of Transportation certification.

15 "Class 3 vehicle mile section 1310 percentage." The  
16 percentage determined by dividing the vehicle miles of a Class 3  
17 transit entity as stated in the latest Department of  
18 Transportation certification by the total number of vehicle  
19 miles of all Class 3 transit entities as stated in the latest  
20 Department of Transportation certification.

21 "Class 4 operating assistance grant section 1310 percentage."  
22 The percentage determined by dividing the Class 4 transit entity  
23 adjusted base grant received by a Class 4 transit entity by the  
24 total Class 4 transit entity adjusted base grants received  
25 pursuant to such act by all Class 4 transit entities during  
26 fiscal year 1990-1991 as stated in the Department of  
27 Transportation certification.

28 "Class 4 revenue hour section 1310 percentage." The  
29 percentage determined by dividing the revenue hours of a Class 4  
30 transit entity as stated in the latest Department of



Transportation certification by the total number of revenue hours of all Class 4 transit entities as stated in the latest Department of Transportation certification.

"Class 4 revenue mile section 1310 percentage." The percentage determined by dividing the revenue miles of a Class 4 transit entity as stated in the latest Department of Transportation certification by the total number of revenue miles of all Class 4 transit entities as stated in the latest Department of Transportation certification.

"Community transportation program section 1310 share." One million seven hundred thousand dollars during the 1991-1992 fiscal year, \$1,768,000 during the 1992-1993 fiscal year and, during the 1993-1994 fiscal year and each fiscal year thereafter, shall mean the community transportation program section 1310 share for the prior fiscal year plus (or minus) the product of the community transportation program section 1310 share for the prior fiscal year times the percentage increase or decrease in the total funds available for distribution pursuant to this section received by the Treasury Department in the most recently completed fiscal year as compared with the prior fiscal year. However, in any fiscal year in which the total funds authorized to be expended from the State Lottery Fund for purposes enumerated in section 1312 (relating to community transportation programs) is less than \$600,000, the community transportation program section 1310 share shall be increased so that the sum of the community transportation program section 1310 share plus the total amount of such moneys paid from the State Lottery Fund for purposes enumerated in section 1312 shall equal \$2,300,000. The combined funding to any county for community transportation under sections 1310 and 1312 shall not

1 exceed \$250,000 in any fiscal year.

2 "Department of Transportation project management oversight  
3 share." One million dollars during the 1991-1992 fiscal year  
4 and, during the 1992-1993 fiscal year and each fiscal year  
5 thereafter, shall mean \$1,000,000 or 0.25% of the total amount  
6 of capital project, asset maintenance and other program funds  
7 available for distribution pursuant to this section received by  
8 the Treasury Department during the prior fiscal year, whichever  
9 is greater.

10 "Department of Transportation certification." The  
11 certification by the Department of Transportation to the  
12 Treasury Department under subsection (g).

13 "Department-initiated programs." Mass transportation  
14 programs with a regional or Statewide application, including,  
15 without limitation, capital projects in support of intercity  
16 rail passenger service, capital projects in support of intercity  
17 bus service, transit safety initiatives, public-private  
18 transportation partnerships, ridersharing incentive programs,  
19 transportation management associations and other multimodal  
20 transportation management projects.

21 "Federal operating ceiling." The maximum amount of Federal  
22 funds permitted to be used by a Class 3 transit entity to  
23 subsidize transit operations, as published in the November 23,  
24 1990, Federal Register (or, where there is more than one transit  
25 entity in a region, the maximum amount of Federal funds which  
26 such Class 3 transit entity could have utilized to subsidize  
27 transit operations pursuant to the subregional allocation as  
28 specified in the applicable transportation improvement program)  
29 for fiscal year 1990-1991.

30 "Planning, development, research, rural expansion and

department-initiated programs section 1310 shares." The sum of \$83,333.33 plus 0.25% of the total capital project, asset maintenance and other program funds available for distribution by the Treasury Department during a particular month.

"Total passengers." The total of all revenue passengers plus transfer passengers on second and successive rides of a local transportation organization or transportation company, which are funded in whole or in part by this part, with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

"Treasury Department." The State Treasurer and the Treasury Department of the Commonwealth.

(g) Certification to Treasury Department.--On or before July 15 of each fiscal year, the Department of Transportation shall calculate and certify to the Treasury Department the following:

(1) The Department of Transportation project management oversight share, the community transportation program sections 1310 and 1310.1 shares, the Class 1 transit entity sections 1310 and 1310.1 shares, the Class 2 transit entity sections 1310 and 1310.1 shares, the Class 3 transit entity sections 1310 and 1310.1 shares and the Class 4 transit entity sections 1310 and 1310.1 shares and the planning, development, research, rural expansion and department-initiated programs sections 1310 and 1310.1 shares.

(2) The names and addresses of each Class 1 transit entity, Class 2 transit entity, Class 3 transit entity and Class 4 transit entity and whether such program or entity is a Class 1 transit entity, Class 2 transit entity, Class 3 transit entity or Class 4 transit entity.

(3) The vehicle miles of each Class 3 transit entity,

1 the total vehicle miles of all Class 3 transit entities, the  
2 Class 3 vehicle mile sections 1310 and 1310.1 percentages for  
3 each Class 3 transit entity, the vehicle hours of each Class  
4 3 transit entity, total vehicle hours of all Class 3 transit  
5 entities, the Class 3 vehicle hour sections 1310 and 1310.1  
6 percentages for each Class 3 transit entity, total passengers  
7 for each Class 3 transit entity, the total passengers for all  
8 Class 3 transit entities, the Class 3 total passenger  
9 sections 1310 and 1310.1 percentages for each Class 3 transit  
10 entity, the Federal operating ceiling for each Class 3  
11 transit entity, the Federal operating ceiling for all Class 3  
12 transit entities, the Federal operating cap percentage for  
13 each Class 3 transit entity, the State subsidy received  
14 pursuant to section 1303 (relating to annual appropriation  
15 and computation of subsidy) as described in the definition of  
16 "Class 3 State operating grant percentage" for each Class 3  
17 transit entity, the State subsidy received pursuant to  
18 section 1303 as described in the definition of "Class 3 State  
19 operating grant percentage" for all Class 3 transit entities,  
20 and the Class 3 State grant percentage for each Class 3  
21 transit entity.

22 (4) The operating assistance grant received by each  
23 Class 4 transit entity during fiscal year 1990-1991 pursuant  
24 to the act of February 11, 1976 (P.L.14, No.10), known as the  
25 Pennsylvania Rural and Intercity Common Carrier Surface  
26 Transportation Assistance Act, the operating assistance grant  
27 received by all Class 4 transit entities during fiscal year  
28 1990-1991 pursuant to that act, the Class 4 operating  
29 assistance grant sections 1310 and 1310.1 percentages for  
30 each Class 4 transit entity, the revenue miles of each Class

4 transit entity, the revenue miles of all Class 4 transit entities, the Class 4 revenue mile sections 1310 and 1310.1 percentages of each Class 4 transit entity, the revenue hours for each Class 4 transit entity, the revenue hours for all Class 4 transit entities and the Class 4 revenue hour sections 1310 and 1310.1 percentages for each Class 4 transit entity.

§ 1310.1. Supplemental public transportation assistance funding.

(a) General rule.--Beginning July 1, 1997, 1.22% of the money collected from the tax imposed under Article II of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, up to a maximum of \$75,000,000, shall be deposited in the Supplemental Public Transportation Account, which is established in the State Treasury. Within 30 days of the close of a calendar month, 1.22% of the taxes received in the prior calendar month shall be transferred to the account. No funds in excess of \$75,000,000 may be transferred to the account in any one fiscal year. The money in the account shall be used by the department for supplemental public transportation assistance, to be distributed under this section. Transit entities may use supplemental assistance moneys for any of the purposes enumerated in section 1311 (relating to use of funds distributed). In addition to those enumerated purposes, Class 1, 2 and 3 transit entities also may use the base supplemental assistance share for general operations. Class 4 transit entities may use all supplemental assistance moneys for general operations.

(b) Distribution.--During each fiscal year, capital project, asset maintenance and other program funds designated as

supplemental public transportation assistance funding to be distributed pursuant to this section shall be distributed as follows:

(1) On or before the fifth day of each month, the Treasury Department shall certify to the department the total amount of money then available for distribution, and the department shall disburse the money on or before the 20th day of each month.

(2) Each month the department shall distribute to each local transportation organization or transportation company 1/12 of the base supplemental assistance share of that local transportation organization or transportation company.

(3) Each month the Treasury Department shall pay 1/12 of the community transportation program section 1310.1 share for that fiscal year to the Department of Transportation to make grants to counties pursuant to section 1312 (relating to community transportation programs) for the purpose of funding capital projects of community transportation programs.

(4) Each month the department shall distribute 1/12 of the Class 4 transit entity section 1310.1 share to Class 4 transit entities according to the same formula as provided for distribution of funds under section 1310(b)(5) (relating to distribution of funding), using the Class 4 transit entity section 1310.1 share in place of the Class 4 transit entity section 1310 share.

(5) Each month, after providing for payment of the portion of the base supplemental assistance share, the community transportation program section 1310.1 share and the Class 4 transit entity section 1310.1 share to be distributed that month, the department shall distribute all remaining

capital project, asset maintenance and other program funds  
required to be distributed pursuant to this section according  
to the same formula as provided for distribution of funds in  
section 1310(b)(6), using the transit entity's section 1310.1  
share in place of the transit entity's section 1310 share.

(c) Definitions.--As used in this section, the following  
words and phrases shall have the meanings given to them in this  
subsection. Any term used in this section but not defined in  
this subsection shall have the meaning given in section 1310(f):

"Base supplemental assistance share." The P.L. 103-122  
percentage for each local transportation organization or  
transportation company multiplied by \$54,616,000.

"Capital project, asset maintenance and other program funds."  
Moneys made available under this section to finance capital  
projects and asset maintenance costs of local transportation  
organizations, transportation companies or community  
transportation programs or to fund other programs specified in  
this section.

"Class 1 section 1310.1 percentage." 70.3%.

"Class 2 section 1310.1 percentage." 25.4%.

"Class 3 section 1310.1 percentage." 4.3%.

"Class 1 to 3 section 1310.1 allocation." The total amount  
of capital project, asset maintenance and other program funds  
available for distribution by the Treasury Department during a  
particular month less:

(1) the amount of the base supplemental assistance share  
to be paid each month under subsection (b)(2);

(2) the amount of the community transportation program  
section 1310.1 share to be paid each month under subsection  
(b)(3); and

(3) the amount of the Class 4 transit entity section 1310.1 share to be paid each month under subsection (b)(4).

"Class 1 transit entity section 1310.1 share." The product of the Class 1 section 1310.1 percentage times the Class 1 to 3 section 1310.1 allocation.

"Class 2 transit entity section 1310.1 share." The product of the Class 2 section 1310.1 percentage times the monthly Class 1 to 3 allocation.

"Class 3 transit entity section 1310.1 share." The product of the Class 3 section 1310.1 percentage times the monthly Class 1 to 3 allocation.

"Class 4 transit entity section 1310.1 share." For each fiscal year, the total amount projected by the department to be available for distribution in the fiscal year in accordance with this section, less \$54,616,000, times 2.8%.

"Class 3 Federal operating cap percentage." The percentage determined by dividing the Federal operating ceiling for a Class 3 transit entity by the total of all Federal operating ceilings for Class 3 transit entities.

"Class 3 total passenger section 1310.1 percentage." The percentage determined by dividing the total passengers transported by a Class 3 transit entity, as stated in the latest Department of Transportation certification, by the total number of passengers transported by all Class 3 transit entities, as stated in the latest Department of Transportation certification.

"Class 3 vehicle hour section 1310.1 percentage." The percentage determined by dividing the vehicle hours of a Class 3 transit entity, as stated in the latest Department of Transportation certification, by the total number of vehicle hours of all Class 3 transit entities, as stated in the latest



1 Department of Transportation certification.

2 "Class 3 vehicle mile section 1310.1 percentage." The  
3 percentage determined by dividing the vehicle miles of a Class 3  
4 transit entity, as stated in the latest Department of  
5 Transportation certification, by the total number of vehicle  
6 miles of all Class 3 transit entities, as stated in the latest  
7 Department of Transportation certification.

8 "Class 4 operating assistance grant section 1310.1  
9 percentage." The percentage determined by dividing the Class 4  
10 transit entity adjusted base grant received by a Class 4 transit  
11 entity, as stated in the latest Department of Transportation  
12 certification, by the total Class 4 transit entity adjusted base  
13 grants received by all Class 4 transit entities during fiscal  
14 year 1990-1991, as stated in the latest Department of  
15 Transportation certification.

16 "Class 4 revenue hour section 1310.1 percentage." The  
17 percentage determined by dividing the revenue hours of a Class 4  
18 transit entity, as stated in the latest Department of  
19 Transportation certification, by the total number of revenue  
20 hours of all Class 4 transit entities, as stated in the latest  
21 Department of Transportation certification.

22 "Class 4 revenue mile section 1310.1 percentage." The  
23 percentage determined by dividing the revenue miles of a Class 4  
24 transit entity, as stated in the latest Department of  
25 Transportation certification, by the total number of revenue  
26 miles of all Class 4 transit entities, as stated in the latest  
27 Department of Transportation certification.

28 "Community transportation program section 1310.1 share." The  
29 greater of:

30 (1) \$1,200,000; or

1       (2) the total amount projected by the Department of  
2       Transportation to be available for distribution in the  
3       subject fiscal year in accordance with this section, less  
4       \$54,616,000, times 2.5%.

5       "P.L. 103-122 percentage." The percentage determined by  
6       dividing the operating assistance grant or operating assistance  
7       limitation, whichever is greater, but not to exceed the total  
8       apportionment of funds made available to a particular local  
9       transportation organization or transportation company in this  
10       Commonwealth for each Class 1 transit entity, Class 2 transit  
11       entity and Class 3 transit entity and the base grants approved  
12       for each Class 4 transit entity pursuant to Public Law 103-122,  
13       107 Stat. 1199, for the Federal fiscal year ending September 30,  
14       1994, by the total of such amounts for all Commonwealth local  
15       transportation organizations and transportation companies  
16       pursuant to Public Law 103-122 for the fiscal year as determined  
17       by the Department of Transportation.

18       § 1311. Use of funds distributed.

19       (a) Approval of department.--

20       (1) No money made available pursuant to section 1310  
21       (relating to distribution of funding) shall be expended on  
22       any capital project by any local transportation organization  
23       or transportation company until after the local  
24       transportation organization or transportation company submits  
25       the project to the department for approval and the department  
26       approves the project. At the option of the local  
27       transportation organization or transportation company,  
28       capital projects may be submitted to the department on an  
29       annual basis at the time the local transportation  
30       organization or transportation company submits its capital

1 budget to the department or at another time chosen by the  
2 local transportation organization or transportation company.

3 (2) The department shall establish criteria for approval  
4 of capital projects pursuant to this subsection, including,  
5 but not limited to, consideration of estimated useful life,  
6 demonstration of need and reasonableness of cost.

7 (3) Amendments to capital projects may be submitted at  
8 any time to the department for its review and approval in  
9 accordance with the procedures specified by the department.

10 (4) The department shall prescribe, under the authority  
11 of this chapter, reasonable procedures, including deadlines,  
12 for the department to review, comment and approve the capital  
13 project or projects submitted by a local transportation  
14 organization or transportation company.

15 (b) Funding purposes enumerated.--Moneys distributed  
16 pursuant to section 1310 shall be used by local transportation  
17 organizations and transportation companies for purposes of  
18 paying:

19 (1) all costs of capital projects, including, without  
20 limitation, the costs of acquisition, construction,  
21 installation, start-up costs of operations, improvement and  
22 all work and materials incident thereto, provided that funds  
23 expended for capital projects pursuant to section 1310 shall  
24 be matched by local or private funding in an amount equal to  
25 at least one-thirtieth of the project cost;

26 (2) debt service and the cost of issuance of bonds,  
27 notes and other evidences of indebtedness which a local  
28 transportation organization or transportation company is  
29 permitted to issue under any law of this Commonwealth; and

30 (3) to the extent permitted by this section, asset

1 maintenance costs. Community transportation programs shall  
2 use moneys distributed pursuant to this section only for  
3 purposes enumerated in section 1312 (relating to community  
4 transportation programs).

5 (c) Certain capital projects.--Notwithstanding any other  
6 provision of law, each local transportation organization or  
7 transportation company receiving moneys pursuant to section 1310  
8 may use such moneys, in the discretion of such local  
9 transportation organization or transportation company, to fund  
10 all or a portion of capital projects listed in the program  
11 prepared pursuant to section 2002(a)(13) of the act of April 9,  
12 1929 (P.L.177, No.175), known as The Administrative Code of  
13 1929.

14 (d) Management of funds.--

15 (1) Each local transportation organization or  
16 transportation company receiving moneys pursuant to sections  
17 1310 and 1310.1 (relating to supplemental public  
18 transportation assistance funding) shall hold such moneys in  
19 an account separate from other funds of the local  
20 transportation organization or transportation company and  
21 shall invest such moneys until such funds are used in  
22 accordance with this section, with such funds being invested  
23 in accordance with the limits on investment of the local  
24 transportation organization or transportation company.

25 Notwithstanding any other provisions of this chapter, any  
26 interest earned shall be used for capital projects and asset  
27 maintenance costs during any period as determined by the  
28 local transportation organization or transportation company.

29 (2) All moneys distributed pursuant to section 1310 and  
30 utilized for asset maintenance under subsection (e) shall be

1 matched by local or private funding in an amount equal to at  
2 least 1/30 of the amount expended for such purposes, except  
3 that, in the case of Class 3 and 4 transit entities, no  
4 matching funds shall be required if the department shall have  
5 received from the local governmental funding source which  
6 would otherwise provide the matching funds a certification  
7 that compliance with the matching requirement would create an  
8 undue financial burden upon the local governmental funding  
9 source such that a curtailment of government services  
10 endangering public health and safety would ensue.

11 (3) All moneys distributed pursuant to section 1310.1  
12 and utilized under this section shall be matched by local or  
13 private funding in an amount equal to at least 1/30 of the  
14 amount expended for such purposes, except that, in the case  
15 of Class 3 and 4 transit entities, no funds utilized for  
16 asset maintenance under subsection (e) shall require a local  
17 match if the department shall have received from the local  
18 governmental funding source which would otherwise provide the  
19 matching funds a certification that compliance with the  
20 matching requirement would create an undue financial burden  
21 upon the local governmental funding source such that a  
22 curtailment of government services endangering public health  
23 and safety would ensue.

24 (e) Asset maintenance.--

25 (1) Each local transportation organization or  
26 transportation company may expend moneys distributed pursuant  
27 to sections 1310 and 1310.1 shares to fund asset maintenance  
28 costs as provided in this subsection.

29 (2) Moneys distributed pursuant to sections 1310 and  
30 1310.1 may only be used to fund asset maintenance costs

1 incurred during the fiscal year in which such moneys are  
2 allocated. Thereafter, such funds may only be used to fund  
3 capital projects.

4 (3) On or before March 1 of each year, the department  
5 shall certify to each local transportation organization or  
6 transportation company the amount of capital project, asset  
7 maintenance, base supplemental assistance and other program  
8 funds which the department estimates each local  
9 transportation organization or transportation company will be  
10 entitled to receive during the ensuing fiscal year. Each  
11 local transportation organization or transportation company  
12 may expend moneys distributed pursuant to sections 1310 and  
13 1310.1 shares to fund asset maintenance costs up to the  
14 following maximum percentages of the estimate from the  
15 department, including accrued interest, the amount received  
16 during the prior fiscal year or the amount actually received  
17 in the current fiscal year, whichever is greater:

18 (i) Class 1 transit entities may utilize for asset  
19 maintenance costs up to a maximum of 30% of the funds  
20 received pursuant to sections 1310 and 1310.1 shares.

21 (ii) Class 2 and 3 transit entities may utilize for  
22 asset maintenance costs up to a maximum of 50% of the  
23 funds received pursuant to sections 1310 and 1310.1.

24 (iii) (Deleted by amendment).

25 (iv) Class 4 transit entities may utilize for asset  
26 maintenance costs up to a maximum of 50% of the funds  
27 received pursuant to sections 1310 and 1310.1.

28 (f) Eligible projects.--Notwithstanding any other provision  
29 of this chapter, moneys provided under section 1310 to community  
30 transportation programs may be expended only in accordance with

section 1312 and only to fund all or a portion of eligible projects of such entities as enumerated in section 1312.

(g) Matching funds.--The moneys provided to local transportation organizations, transportation companies or community transportation programs pursuant to section 1310 may be used as matching funds to obtain Federal aid for capital projects.

(h) Use by department.--Funds appropriated to the department pursuant to section 1310(b)(2) and (4) may be utilized by the department for the purposes provided in either of such paragraphs.

(i) Accounting.--Within 120 days after the end of each fiscal year for capital programs established by the local transportation organization or transportation company pursuant to section 1310(e), each local transportation organization and transportation company receiving moneys pursuant to sections 1310 and 1310.1 shares shall transmit to the department an accounting of all funds received pursuant to sections 1310 and 1310.1 shares in that fiscal year. The accounting shall be in a form prescribed by the department and shall include a listing of all expenditures on a project by project basis and the status of all unspent funds. The local transportation organization or transportation company shall grant access to the department or its duly authorized representatives to any and all records pertaining to funds received pursuant to sections 1310 and 1310.1 shares.

(j) Limit on certain amounts expended.--Notwithstanding any law to the contrary and except as provided in subsection (a) for Class 4 transit entities, local transportation organizations and transportation companies are authorized to expend moneys

distributed pursuant to sections 1310 and 1310.1 shares for  
asset maintenance costs in an amount not to exceed the greater  
of:

(1) the maximum amount of asset maintenance expenditures  
which could have been approved by the department for  
expenditure by that local transportation organization or  
transportation company for the 1991-1992 fiscal year pursuant  
to section 17(a) of the act of August 5, 1991 (P.L.238,  
No.26), entitled "An act amending Titles 74 (Transportation)  
and 75 (Vehicles) of the Pennsylvania Consolidated Statutes,  
codifying provisions relating to public transportation;  
imposing certain fees and taxes; further providing for  
certain Pennsylvania Turnpike projects; defining 'farm  
equipment'; further providing for the responsibilities of  
vehicle transferees, for exemptions from registration and  
certificates of title and for the use of dealer plates,  
multipurpose dealer plates and farm equipment plates; further  
providing for funeral processions; further providing for a  
restricted receipts fund and for registration for snowmobiles  
and ATV's; establishing the Snowmobile Trail Advisory  
Committee; further providing for the highway maintenance and  
construction tax; and making repeals," based upon a  
projection of \$200,000,000 in total dedicated capital  
assistance funds plus estimated amounts of supplemental  
public transportation assistance funding available for  
distribution pursuant to section 1310.1 in that fiscal year,  
which estimate shall not be less than \$75,000,000 in any  
fiscal year; or

(2) the amount permitted to be expended for such  
purposes under subsection (e).



1 § 1312. Community transportation programs.

2 (a) Grants from lottery fund.--All counties except counties  
3 of the first and second class shall be entitled to grants from  
4 the State Lottery Fund for the purpose of adding, replacing,  
5 upgrading and overhauling equipment and purchasing, constructing  
6 or renovating facilities to serve as office and maintenance  
7 sites for the provision of reduced fare demand-response service.  
8 Equipment that may be purchased shall include, but shall not be  
9 limited to, vehicles, vehicle rehabilitation, major drivetrain  
10 components, communication equipment, computer equipment and  
11 software and office equipment and furnishings. The amount  
12 entitled to all counties and to be granted by the department  
13 shall not exceed \$2,300,000. The department may require the  
14 counties to coordinate the acquisition of equipment through a  
15 Statewide purchase program should the department find such a  
16 program to be cost efficient.

17 (b) Procedure.--

18 (1) The department is hereby authorized to make grants  
19 to all counties, except those of the first and second class,  
20 or to entities designated by such counties to coordinate  
21 services under this section in such county, for the purpose  
22 of adding, replacing, upgrading and overhauling equipment for  
23 the provision of shared-ride transit services responsive to  
24 and accessible by the general public as well as the elderly  
25 and disabled. If sufficient funds remain after all department  
26 approvals for such equipment projects have been fully funded,  
27 the department is hereby authorized to make grants for the  
28 purchase, construction or renovation of facilities to serve  
29 as office and maintenance sites for the provision of shared-  
30 ride transit services responsive to and accessible by the

1 general public as well as the elderly and disabled. Equipment  
2 that may be purchased shall include, but shall not be limited  
3 to, vehicles, vehicle rehabilitation, major drivetrain  
4 components, communication equipment, computer equipment and  
5 software and office equipment and furnishings.

6 (2) Counties other than counties of the first and second  
7 class may obtain grants pursuant to this subsection by filing  
8 with the department an application in a form prescribed by  
9 it. The department shall require with such application a  
10 transportation plan plus such other information as the  
11 department may require.

12 (3) The applicant shall certify that all efforts  
13 possible have been made to coordinate local service for the  
14 elderly and disabled and the services to be offered with  
15 these capital assets do not duplicate existing fixed route  
16 services, as provided under the act of February 11, 1976  
17 (P.L.14, No.10), known as the Pennsylvania Rural and  
18 Intercity Common Carrier Surface Transportation Assistance  
19 Act, and under other provisions of this part. The applicant  
20 shall solicit comments from the local public body fixed route  
21 provider and include any such comments as part of the  
22 application.

23 (4) All purchases pursuant to this subsection shall be  
24 made in accordance with bidding procedures established under  
25 the act of May 2, 1945 (P.L.382, No.164), known as the  
26 Municipality Authorities Act of 1945, or the act of August 9,  
27 1955 (P.L.323, No.130), known as The County Code, whichever  
28 is applicable.

29 (c) Availability of funds.--Funds not expended under this  
30 section in the fiscal year in which they were made available

1 shall not lapse and shall be available for use pursuant to this  
2 section in the next succeeding fiscal years.

3 § 1313. Additional programs.

4 (a) Projects and programs enumerated.--The department is  
5 hereby authorized to incur costs directly or to make grants,  
6 undertake and provide financial support:

7 (1) To new rural transportation systems for the purpose  
8 of funding capital, asset maintenance and operating costs of  
9 new rural transportation systems. New rural transportation  
10 systems may obtain grants under this section by filing for  
11 each fiscal year with the department an application in a form  
12 prescribed by it. The department shall require with the  
13 application a transportation plan plus such other information  
14 as the department may require to establish to the  
15 satisfaction of the department that the new rural  
16 transportation system is deserving of a grant under this  
17 section.

18 (2) For the purpose of funding studies, analysis,  
19 planning and development of programs for public  
20 transportation assistance, services and facilities.

21 (3) To incur costs directly or to make grants for  
22 department-initiated programs.

23 (4) To make grants to Class 4 transit entities for the  
24 significant expansion of services by such entities from funds  
25 remaining in the development, planning and rural expansion  
26 share after all grants have been made for the fiscal year  
27 pursuant to paragraphs (1) and (2). Grants from the  
28 development, planning and rural expansion share shall be used  
29 by the Class 4 transit entity for the construction,  
30 acquisition, capital projects, asset maintenance and

1 operating costs of the expansion of such entity. Class 4  
2 transit entities may obtain grants by filing for each fiscal  
3 year with the department an application in a form prescribed  
4 by it. The department shall require with the application a  
5 transportation plan plus such other information as the  
6 department may require to establish to the satisfaction of  
7 the department that the Class 4 transit entity is deserving  
8 of a grant under this section.

9 (b) Availability of funds.--Funds not expended under this  
10 section in the fiscal year in which they were made available  
11 shall not lapse and shall be available for use pursuant to this  
12 section in the next succeeding fiscal years.

13 § 1315. Public transportation grants management accountability.

14 (a) Performance audits.--All classes of transit entities  
15 shall complete periodic management performance audits which  
16 shall encompass all public transportation programs and services  
17 financed in whole or in part by grants provided by the  
18 department as follows:

19 (1) The department shall establish criteria to be  
20 included in a performance audit performed pursuant to this  
21 section. The criteria shall be published in the Pennsylvania  
22 Bulletin. Separate criteria may be established for each class  
23 of transit entity.

24 (2) Management performance audits shall be completed  
25 within ten months of their initiation and shall be performed  
26 as follows:

27 (i) Class 1 transit entities shall begin the initial  
28 management performance audit required pursuant to this  
29 section no later than July 1, 1999, or, with the written  
30 approval of the department, within five years of the

1 completion of the most recent performance audit.

2 Thereafter, Class 1 transit entities shall complete a  
3 management performance audit at least once every five  
4 years.

5 (ii) Class 2 transit entities shall begin the  
6 initial management performance audit required by this  
7 section no later than July 1, 2000, or, with the written  
8 approval of the department, within five years of the most  
9 recent performance audit. The department may extend the  
10 initiation date for a period of up to five years.

11 Thereafter, Class 1 transit entities shall complete a  
12 management performance audit at least once every five  
13 years.

14 (iii) Class 3 transit entities in urbanized areas  
15 with a population of 200,000 or greater shall begin the  
16 initial management performance audit required by this  
17 section no later than July 1, 2001. Class 3 transit  
18 entities in urbanized areas with a population of less  
19 than 200,000 shall begin the first management performance  
20 audit required by this section no later than July 1,  
21 2002. Thereafter, Class 3 transit entities shall perform  
22 a management performance audit at least once every seven  
23 years.

24 (iv) Class 4 transit entities shall begin the first  
25 initial management performance audit required by this  
26 section no later than July 1, 2002. Thereafter, Class 4  
27 transit entities shall perform a management performance  
28 audit at least once every ten years. The department shall  
29 perform management performance audits for Class 4  
30 entities through qualified independent contractors unless

1 written notice is provided to the department by the Class  
2 4 transit entity that the transit entity wishes to  
3 perform its own audit. The notice shall be provided no  
4 later than one year prior to the initiation date of the  
5 next scheduled audit.

6 (3) Class 1, 2 and 3 transit entities shall bear all  
7 costs of performing management performance audits pursuant to  
8 this section. The cost of such management performance audits  
9 for Class 4 transit entities shall be paid by the department  
10 from funds made available under section 1310(d) (relating to  
11 distribution of funding).

12 (4) For Class 1, 2 and 3 transit entities, the  
13 management performance audit shall be conducted by a  
14 qualified independent auditor selected by competitive  
15 procurement. Procurement documents shall specify the scope of  
16 the audit, comply with department criteria and be submitted  
17 to the department for written approval prior to procurement.

18 (b) Submission of audit report; transit entity response.--

19 (1) Upon receipt of a final audit report from the  
20 auditor or, in the case of Class 4 transit entities, from the  
21 department, each transit entity shall prepare an action plan  
22 addressing the findings and recommendations of the audit  
23 report. The action plan shall be completed and approved by  
24 the transit entity's governing body within two months of  
25 receipt of the final audit report. The transit entity shall  
26 implement its action plan in accordance with the time frames  
27 specified in the plan.

28 (2) Upon approval of the action plan by the entity's  
29 governing body, the transit entity shall submit the plan and  
30 the auditor's report to the department. Class 1 and 2 transit

1 entities shall also submit their action plans to the  
2 Legislative Budget and Finance Committee, the chairman and  
3 minority chairman of the Transportation Committee of the  
4 Senate and the chairman and minority chairman of the  
5 Transportation Committee of the House of Representatives.

6 (c) Customer satisfaction surveys.--Customer satisfaction  
7 surveys shall be conducted as follows:

8 (1) All Class 1 and 2 entities shall conduct customer  
9 satisfaction surveys at least once every two years. Class 3  
10 and 4 transit entities shall conduct customer satisfaction  
11 surveys at least once every three years. An initial customer  
12 satisfaction survey for each transit entity shall be  
13 completed and submitted to the department no later than  
14 December 31, 1998.

15 (2) The department shall provide guidelines regarding  
16 the scope of the surveys and suggested questions which may be  
17 included in the surveys.

18 (3) Upon completion of the survey, the transit entity  
19 shall submit a report to the department containing survey  
20 methodology, survey results, relevant trends in the level of  
21 customer satisfaction and actions taken or planned to improve  
22 customer satisfaction.

23 (d) Suspension of grant funds.--The department may suspend  
24 eligibility for grants under section 1303 (relating to annual  
25 appropriation and computation of subsidy) for any transit entity  
26 which fails to comply with any of the provisions of this  
27 section.

28 (e) Restoration or continuation of funding.--The department  
29 shall continue eligibility of a transit entity for grants under  
30 section 1303 if the entity has initiated its audit or survey in

1 a timely manner and the delay in completion of the audit or  
2 survey is not the fault of the transit entity. The department  
3 shall restore eligibility of a suspended transit entity at such  
4 time as the audit or survey is completed in accordance with the  
5 requirements of this section.

6 (f) Cost reduction and productivity improvement.--As part of  
7 its annual application for funding under section 1303, Class 1,  
8 2, 3 and 4 transit entities shall include a report outlining  
9 initiatives it has undertaken to reduce costs and improve  
10 productivity.

11 Section 4. Chapters 15, 81 and 82 of Title 74, added July  
12 18, 2007 (P.L.169, No.44), are repealed:

13 [CHAPTER 15

14 SUSTAINABLE MOBILITY OPTIONS

15 § 1501. Scope of chapter.

16 This chapter relates to sustainable mobility options.

17 § 1502. (Reserved).

18 § 1503. Definitions.

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

22 "Access to jobs project." A project relating to the  
23 development and maintenance of transportation services designed  
24 to transport welfare recipients and eligible low-income  
25 individuals to and from jobs and activities related to their  
26 employment as defined under 49 U.S.C. § 5316 (relating to job  
27 access and reverse commute formula grants).

28 "Americans with Disabilities Act." The Americans with  
29 Disabilities Act of 1990 (Public Law 101-336, 104 Stat. 327).

30 "Asset maintenance costs." All vehicle maintenance expenses,



1 nonvehicle maintenance and materials expenses and the cost of  
2 supplies used in the operation of local transportation  
3 organizations and transportation companies.

4 "Award recipient." A recipient of financial assistance under  
5 this chapter.

6 "Base operating allocation." The total amount of State  
7 operating assistance, reimbursement in lieu of fares for senior  
8 passengers and other assistance which was used for operating  
9 assistance as determined by the department in fiscal year 2005-  
10 2006.

11 "Capital expenditures." All costs of capital projects,  
12 including, but not limited to, the costs of acquisition,  
13 construction, installation, start-up of operations, improvements  
14 and all work and materials incident thereto.

15 "Capital project." A system or component of a system for the  
16 provision of public passenger transportation. The term includes  
17 vehicles; infrastructure power; passenger amenities; storage and  
18 maintenance buildings; parking facilities; the land on which any  
19 capital project is situated and the land needed to support it,  
20 whether owned in whole or in part; overhaul of vehicles; debt  
21 service and the cost of issuance of bonds, notes and other  
22 evidences of indebtedness which a local transportation  
23 organization or transportation company is permitted to issue  
24 under any law of this Commonwealth.

25 "Commonwealth capital bonds." Evidence of debt incurred by  
26 the Commonwealth under the act of February 9, 1999 (P.L.1,  
27 No.1), known as the Capital Facilities Debt Enabling Act.

28 "Community transportation service" or "shared ride service."  
29 Door-to-door demand transportation that is available to the  
30 general public on a nonexclusive basis, operates on a nonfixed

1 route basis and charges a fare to all riders. The term does not  
2 include exclusive ride taxi service, charter and sightseeing  
3 service, nonpublic transportation, school bus and limousine  
4 service.

5 "Community transportation system." A person that provides  
6 community transportation service and contracts with the  
7 Department of Transportation to receive revenue replacement  
8 funds.

9 "Department." The Department of Transportation of the  
10 Commonwealth.

11 "Financial assistance." Grants or other types of financial  
12 support provided by the Department of Transportation under this  
13 chapter.

14 "Fixed guideway system." A fixed-route public transportation  
15 service that uses and occupies a separate right-of-way or rail  
16 line for the exclusive use of public transportation and other  
17 high occupancy vehicles or uses a fixed catenary system and a  
18 right-of-way usable by other forms of transportation. The term  
19 includes light rail, commuter rail, automated guideway transit,  
20 people movers, ferry boat service and fixed guideway facilities  
21 for buses such as bus rapid transit and high occupancy vehicles.

22 "Fixed-route public transportation service." Regularly  
23 scheduled general public transportation that is provided  
24 according to published schedules along designated routes, with  
25 specified stopping points for the taking on and discharging of  
26 passengers, including public bus and commuter rail systems and  
27 other department-approved service. The term does not include  
28 exclusive ride taxi service, charter or sightseeing service,  
29 nonpublic transportation, school bus and limousine service.

30 "Fund." The Public Transportation Trust Fund established

1 under section 1506 (relating to fund).

2 "Intercity bus service." Passenger bus service of 35 miles  
3 or more in length that is provided with an over-the-road bus and  
4 operated between two noncontiguous urbanized areas, between an  
5 urbanized area located in one county and rural communities  
6 located in another county or between rural communities located  
7 in different counties and contains all of the following  
8 elements:

9 (1) Service that is operated for a fare on a regularly  
10 scheduled fixed-route basis.

11 (2) Service that is offered to and utilized by the  
12 general public without preconditions of advance reservation  
13 or membership in a particular organization.

14 "Intercity passenger rail service." Passenger railroad  
15 service that connects two or more urbanized areas and is  
16 determined by the Department of Transportation to qualify as  
17 intercity service rather than commuter rail service.

18 "Job access and reverse commute project." A project funded  
19 by the Federal Transit Administration under Federal law.

20 "Local transportation organization." Any of the following:

21 (1) A political subdivision or a public transportation  
22 authority, port authority or redevelopment authority,  
23 organized under the laws of this Commonwealth or pursuant to  
24 an interstate compact or otherwise empowered to render,  
25 contract for the rendering or assist in the rendering of  
26 transportation service in a limited area in this  
27 Commonwealth, even though it may also render or assist in  
28 rendering transportation service in adjacent states.

29 (2) A nonprofit association that directly or indirectly  
30 provides public transportation service.

(3) A nonprofit association of public transportation providers operating within this Commonwealth.

"Materials and supplies." Those categories of expenses as specified in Uniform System of Accounts expense object class 504, National Transit Database operating expenses form F 30, National Transit Database, Final Rule, Federal Transit Administration, dated January 15, 1993, or any successor.

"New fixed guideway system." A newly constructed fixed guideway system in a corridor or alignment where no such system previously existed.

"New freedom program." A public transportation program designed to provide funds to recipients for new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act of 1990 (Public Law 101-336, 104 Stat. 327) that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services administered under the provisions of 49 U.S.C. § 5317 (relating to new freedom program).

"New start." The term shall have the same meaning given it in 49 CFR § 611.5 (relating to definitions).

"Nonurbanized area." An area within this Commonwealth that does not fall within an area classified as "urbanized" by the United States Bureau of the Census of the United States Department of Commerce in the most recent Census of Population.

"Nonvehicle maintenance expenses." The categories of costs associated with the inspection, maintenance and repair of assets, other than vehicles, as specified in Uniform System of Accounts, expense function 042, National Transit Database operating expenses form, F 30, National Transit Database, Final

1 Rule, Federal Transit Administration, dated January 15, 1993, or  
2 any successor.

3 "Operating expenses." Total expenses required to continue  
4 service to the public and to permit needed improvements in  
5 service which are not self-supporting and otherwise for any  
6 purpose in furtherance of public passenger transportation,  
7 including all State asset maintenance costs. The term does not  
8 include expenditures for capital projects unless specific  
9 approval is provided by the Department of Transportation.

10 "Operating revenue." The total revenue earned by a local  
11 transportation organization or a transportation company through  
12 its transit operations. The term includes all of the following:

13 (1) Passenger fares.

14 (2) Reimbursements provided in lieu of fares for senior  
15 passengers.

16 (3) Charter, school bus and advertising revenue.

17 (4) Other miscellaneous revenue such as public and  
18 private route guarantee funds.

19 "Paratransit service." Transit service operating on a  
20 nonfixed-route basis in order to provide complementary  
21 transportation service to persons who are functionally unable to  
22 use fixed-route public transportation service, as required by  
23 the Americans with Disabilities Act of 1990 (Public Law 101-336,  
24 104 Stat. 327).

25 "Passengers." The total of all originating passengers plus  
26 transfer passengers carried on fixed-route public transportation  
27 service and paratransit service with respect to the most recent  
28 fiscal year as reported in the most recent Public Passenger  
29 Transportation Performance Report.

30 "Public passenger transportation." Transportation within an

1 area that includes a municipality or other built-up place that  
2 is appropriate in the judgment of the Department of  
3 Transportation to serve commuters or others in the locality,  
4 taking into consideration the local patterns and trends of  
5 growth by bus or rail or other conveyance, either publicly or  
6 privately owned, serving the general public. The term does not  
7 include school buses, charter or sightseeing services.

8 "Public Passenger Transportation Performance Report." An  
9 annual report completed by the Department of Transportation  
10 which shall include all of the following:

11 (1) Each local transportation organization's passengers,  
12 revenue vehicle miles, revenue vehicle hours, and senior  
13 passengers statistics for the most recently available fiscal  
14 year.

15 (2) Any other statistical information that the  
16 Department of Transportation deems necessary.

17 "Revenue replacement funds." Payments made to local  
18 transportation organizations and transportation companies to  
19 offset or partially offset fares.

20 "Revenue vehicle hours." The total amount of time calculated  
21 in hours during which vehicles are in service and available for  
22 public use in fixed-route public transportation service or  
23 paratransit service with respect to the most recent fiscal year  
24 as reported in the most recent Public Passenger Transportation  
25 Performance Report. The term does not include deadhead hours.

26 "Revenue vehicle miles." The total amount of distance  
27 calculated in miles during which vehicles are in service and  
28 available for public use in fixed-route public transportation  
29 service or paratransit service with respect to the most recent  
30 fiscal year as reported in the most recent Public Passenger

1 Transportation Performance Report. The term does not include  
2 deadhead miles.

3 "Reverse commute project." A public transportation project  
4 designed to transport residents of urbanized and nonurbanized  
5 areas to suburban employment opportunities as defined under 49  
6 U.S.C. § 5316 (relating to job access and reverse commute  
7 formula grants).

8 "Secretary." The Secretary of Transportation of the  
9 Commonwealth.

10 "Senior citizen." A person who is at least 65 years of age.

11 "Senior passenger." A senior citizen who rides on fixed-  
12 route service.

13 "Senior passengers." The number of senior passengers  
14 transported by a local transportation organization with respect  
15 to the most recent fiscal year as reported in the most recent  
16 Public Passenger Transportation Performance Report.

17 "Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),  
18 known as the Tax Reform Code of 1971.

19 "Transportation company." A person that renders public  
20 passenger transportation service.

21 "Urbanized area." A portion of this Commonwealth classified  
22 as urbanized by the United States Bureau of the Census of the  
23 United States Department of Commerce in the most recent Census  
24 of Population.

25 "Vehicle maintenance expenses." The categories of costs  
26 associated with the inspection, maintenance and repair of  
27 vehicles as specified in Uniform System of Accounts, Expense  
28 Function 041, National Transit Database operating expenses form  
29 F 30, National Transit Database, Final Rule, Federal Transit  
30 Administration, dated January 15, 1993, or any successor.

1 "Welfare-to-work." Any Federal or State program designed to  
2 move individuals from dependency on public welfare programs to  
3 self-sufficiency through paid work.

4 § 1504. Department authorization.

5 (a) General.--The department may, within the limitations  
6 provided in this chapter, incur costs directly and provide  
7 financial assistance for the purposes and activities enumerated  
8 in this chapter.

9 (b) Supplementation of Federal and local funds.--The  
10 authority conferred on the department by this chapter includes  
11 providing financial assistance for public passenger  
12 transportation purposes and supplementing Federal funding or  
13 local funding or both.

14 § 1505. Regulations.

15 (a) General rule.--To effectuate and enforce the provisions  
16 of this chapter, the department shall promulgate necessary rules  
17 and regulations and prescribe conditions and procedures in order  
18 to assure compliance in carrying out the purposes for which  
19 financial assistance may be provided under this chapter.

20 (b) Temporary regulations.--

21 (1) Unless otherwise provided in this chapter, in order  
22 to facilitate the prompt implementation of this chapter,  
23 during the two-year period following the effective date of  
24 this section, the department shall promulgate temporary  
25 regulations which shall expire four years from the effective  
26 date of this section. The temporary regulations shall be  
27 exempt from the following:

28 (i) Sections 201, 202, 203 and 204 of the act of  
29 July 31, 1968 (P.L.769, No.240), referred to as the  
30 Commonwealth Documents Law.



1           (ii) The act of June 25, 1982 (P.L.633, No.181),  
2           known as the Regulatory Review Act.

3           (2) The authority of the department to promulgate  
4           temporary regulations under this subsection shall expire two  
5           years from the effective date of this section. Regulations  
6           adopted after the two-year period shall be promulgated as  
7           provided by statute.

8   § 1506. Fund.

9           (a) Establishment.--A special fund is established within the  
10          State Treasury to be known as the Public Transportation Trust  
11          Fund. Money in the fund is hereby appropriated, upon approval of  
12          the Governor, to the department for the purposes set forth under  
13          this chapter.

14          (b) Deposits to fund by department.--

15                (1) The following apply:

16                   (i) Except as provided under subparagraph (ii), upon  
17                   receipt, the department shall deposit into the fund the  
18                   revenues received by the department under 75 Pa.C.S. Ch.  
19                   89 (relating to Pennsylvania Turnpike) and the lease  
20                   agreement executed between the department and the  
21                   Pennsylvania Turnpike Commission under 75 Pa.C.S. §  
22                   8915.3 (relating to lease of Interstate 80) as follows:

23                           (A) For fiscal year 2007-2008, \$250,000,000.

24                           (B) For fiscal year 2008-2009, \$250,000,000.

25                           (C) For fiscal year 2009-2010, \$250,000,000.

26                           (D) For fiscal year 2010-2011 and each fiscal  
27                   year thereafter, the amount calculated for the  
28                   previous fiscal year, increased by 2.5%.

29               (ii) The deposits made to the fund under this  
30               subsection shall equal \$250,000,000 annually for each

1       fiscal year commencing after the expiration of the  
2       conversion period if the conversion notice is not  
3       received by the secretary prior to expiration of the  
4       conversion period as set forth under 75 Pa.C.S. §  
5       8915.3(3).

6       (2) Upon receipt, the department shall deposit the  
7       amount made available to the department as an executive  
8       authorization and any appropriation for the 2007-2008 fiscal  
9       year and each fiscal year thereafter from the State Lottery  
10      Fund for fixed route transit and for the Free Transit Program  
11      for Senior Citizens established under the act of August 26,  
12      1971 (P.L.351, No.91), known as the State Lottery Law. The  
13      funds deposited under this paragraph shall only be used as  
14      permitted by the State Lottery Law, except that:

15           (i) funds may be used to pay estimated transit  
16      losses resulting from providing free service for senior  
17      passengers during the provider's regular hours of  
18      service; and

19           (ii) fares for senior citizens on commuter rail  
20      service shall be limited to \$1 per trip and shall be  
21      extended to all hours of commuter rail service.

22      (c) Other deposits.--The following shall be deposited into  
23      the fund annually:

24           (1) 4.4% of the amount collected under Article II of the  
25      Tax Reform Code. Revenues under this paragraph shall be  
26      deposited into the fund by the 20th day of each month for the  
27      preceding month. The amount deposited under this paragraph is  
28      estimated to be equivalent of the money available to the  
29      department from the following sources:

30           (i) The Supplemental Public Transportation Account

1           established under former section 1310.1 (relating to  
2           supplemental public transportation assistance funding).

3           (ii) The amount appropriated annually by the  
4           Commonwealth from the General Fund for mass transit  
5           programs pursuant to a General Appropriations Act.

6           (2) An amount of proceeds of Commonwealth capital bonds,  
7           as determined annually by the Secretary of the Budget.

8           (3) Revenue in the Public Transportation Assistance Fund  
9           established under Article XXIII of the Tax Reform Code not  
10          otherwise dedicated pursuant to law.

11          (4) Other appropriations, deposits or transfers to the  
12          fund.

13          (d) Use of revenues.--Money in the fund shall be used by the  
14          department as follows:

15               (1) to provide financial assistance through the programs  
16               established under this chapter;

17               (2) for costs incurred directly by the department in the  
18               administration of public passenger transportation programs,  
19               including under this chapter; and

20               (3) for all other purposes enumerated under this  
21               chapter.

22          (e) Program funding amounts.--Subject to available funds,  
23          the programs established under this chapter shall be funded  
24          annually as follows:

25               (1) For the program established under section 1513  
26               (relating to operating program), the following amounts shall  
27               be allocated from the fund:

28                       (i) All revenues deposited in the fund under  
29                       subsection (b)(1).

30                       (ii) All revenues deposited in the fund under

1 subsection (b)(2).

2 (iii) 69.99% of the revenues deposited in the fund  
3 under subsection (c)(1).

4 (iv) All revenues deposited into the fund under  
5 subsection (c)(3).

6 (2) (i) Except as provided under subparagraph (ii), for  
7 the program established under section 1514 (relating to asset  
8 improvement program):

9 (A) By the proceeds of Commonwealth capital  
10 bonds deposited into the fund under subsection  
11 (c)(2).

12 (A.1) For fiscal year 2007-2008, \$50,000,000  
13 from the revenues received by the department under 75  
14 Pa.C.S. Ch. 89 and the lease agreement executed  
15 between the department and the Pennsylvania Turnpike  
16 Commission under 75 Pa.C.S. § 8915.3. The amount  
17 received by the department under this section shall  
18 be deposited into the fund prior to distribution and  
19 shall be in addition to the amounts received under  
20 subsection (b)(1).

21 (B) For fiscal year 2008-2009, \$100,000,000 from  
22 the revenues received by the department under 75  
23 Pa.C.S. Ch. 89 and the lease agreement executed  
24 between the department and the Pennsylvania Turnpike  
25 Commission under 75 Pa.C.S. § 8915.3. The amount  
26 received by the department under this section shall  
27 be deposited into the fund prior to distribution and  
28 shall be in addition to the amounts received under  
29 subsection (b)(1).

30 (C) For fiscal year 2009-2010, \$150,000,000 from

1 the revenues received by the department under 75  
2 Pa.C.S. Ch. 89 and the lease agreement executed  
3 between the department and the Pennsylvania Turnpike  
4 Commission under 75 Pa.C.S. § 8915.3. The amount  
5 received by the department under this section shall  
6 be deposited into the fund prior to distribution and  
7 shall be in addition to the amounts received under  
8 subsection (b)(1).

9 (D) For fiscal year 2010-2011 and each fiscal  
10 year thereafter, the amount calculated for the prior  
11 fiscal year, increased by 2.5% from the revenues  
12 received by the department under 75 Pa.C.S. Ch. 89  
13 and the lease agreement executed between the  
14 department and the Pennsylvania Turnpike Commission  
15 under 75 Pa.C.S. § 8915.3. The amount received by the  
16 department under this section shall be deposited into  
17 the fund prior to distribution and shall be in  
18 addition to the amounts received under subsection  
19 (b)(1).

20 (ii) If the conversion notice is not received by the  
21 secretary prior to the end of the conversion period as  
22 set forth in 75 Pa.C.S. § 8915.3(3), no additional  
23 allocation shall be made under subparagraph (i).

24 (3) For the program established under section 1516  
25 (relating to programs of Statewide significance), 13.24% of  
26 the revenues deposited in the fund under subsection (c)(1)  
27 shall be allocated from the fund.

28 (4) For the program established under section 1517  
29 (relating to capital improvements program), 16.77% of the  
30 revenues deposited in the fund under subsection (c)(1).

1 Additional funds for this program may be provided from the  
2 funds allocated but not distributed based on the limitation  
3 set forth under section 1513(c)(3).

4 § 1507. Application and approval process.

5 (a) Application.--An eligible applicant that wishes to  
6 receive financial assistance under this chapter shall submit a  
7 written application to the department, on a form developed by  
8 the department, which shall include the following:

9 (1) The name and address of the applicant.

10 (2) The name and telephone number of a contact person  
11 for the applicant.

12 (3) The amount and type of financial assistance  
13 requested and the proposed use of the funds.

14 (4) A statement as to the particular need for the  
15 financial assistance.

16 (5) A certified copy of a current resolution authorizing  
17 submission of the application if the applicant is a governing  
18 body.

19 (6) Evidence satisfactory to the department of the  
20 commitment for matching funds required under this chapter  
21 sufficient to match the projected financial assistance  
22 payments at the same times that the financial assistance  
23 payments are to be provided.

24 (7) Any other information the department deems necessary  
25 or desirable.

26 (b) Approval and award.--Upon determining that an applicant  
27 has complied with this chapter, applicable rules and regulations  
28 and any other requirement with respect to the financial  
29 assistance requested, the department may award financial  
30 assistance to the applicant. If the department awards financial

1 assistance to the applicant, the department and the applicant  
2 shall enter into a financial assistance agreement setting forth  
3 the terms and conditions governing the use of the financial  
4 assistance and the timing of payment of the funds. The  
5 department shall develop guidelines for the application for and  
6 awarding of financial assistance under this chapter and shall  
7 forward them to the Legislative Reference Bureau for publication  
8 in the Pennsylvania Bulletin.

9 (c) Restriction on use of funds.--Financial assistance under  
10 this chapter shall be used only for activities set forth under  
11 the financial assistance agreement unless the department grants  
12 the award recipient a waiver allowing the funds to be used for a  
13 different purpose. The department's regulations shall describe  
14 circumstances under which it will consider waiver requests and  
15 shall set forth all information to be included in a waiver  
16 request. The maximum duration of a waiver shall be one year, and  
17 a waiver request shall include a plan of corrective action to  
18 demonstrate that the award recipient does not have an ongoing  
19 need to use financial assistance funds for activities other than  
20 those for which funds were originally awarded.

21 § 1508. Federal funding.

22 (a) General rule.--The department shall administer the  
23 program programs established under this chapter in a manner that  
24 permits full cooperation between Federal, State and local  
25 governments, agencies and instrumentalities, local  
26 transportation organizations and private interests, so as to  
27 result in as effective and economical a program as possible.

28 (b) Agreements.--The department may enter into agreements  
29 for mutual cooperation between or among the department and a  
30 Federal agency, local transportation organization or

1 transportation company concerning a project to be funded with  
2 financial assistance under this chapter, including joint  
3 applications for Federal grants.

4 (c) General authority of department.--The department may do  
5 anything necessary or desirable to secure financial aid or  
6 cooperation of a Federal agency for a project funded with  
7 financial assistance under this chapter and to comply with a  
8 Federal statute or lawful requirement of a Federal agency  
9 authorized to administer a program of Federal aid to  
10 transportation. The department may enter into a protective  
11 agreement with organized labor to the extent required under 49  
12 U.S.C. § 5333 (relating to labor standards) in order to obtain  
13 Federal grant money for transportation assistance. Protective  
14 agreements shall be narrowly drawn and strictly construed to  
15 provide no more than the minimum protections required by the  
16 United States Department of Labor for the agreements.

17 (d) Direct recipients.--Local transportation organizations  
18 that are direct recipients of Federal funding shall be under no  
19 obligation to enter into contracts with the department for  
20 expenditure of those funds, except that the department may  
21 require a contract for expenditure of the State portion of the  
22 project assisted by those Federal funds.

23 § 1509. Limitation on decisions, findings and regulations of  
24 department.

25 All decisions, findings and regulations made by the  
26 department pursuant to this chapter shall be for the purposes of  
27 this chapter only and shall not constitute evidence before a  
28 regulatory body of this Commonwealth or any other jurisdiction.

29 § 1510. Program oversight and administration.

30 (a) Review and oversight.--The department shall initiate and



1 maintain a program of financial and performance review and  
2 oversight for all programs receiving financial assistance under  
3 this chapter. The department may perform independent financial  
4 audits of each award recipient to ensure compliance by award  
5 recipients with this chapter, department regulations and  
6 policies and financial assistance agreements. Audits shall be  
7 conducted in accordance with generally accepted auditing  
8 standards.

9 (b) State Rail Transit Safety Inspection Program.--The  
10 department may conduct a State Rail Transit Safety Inspection  
11 Program, as may be defined from time to time by the Federal  
12 Transit Administration, to meet oversight requirements of the  
13 Federal Transit Administration. The public transportation modes  
14 covered shall include heavy rail, light rail, trackless trolley  
15 bus and inclined plane services and related facilities.

16 § 1511. Report to Governor and General Assembly.

17 The following shall apply:

18 (1) Except as provided in paragraph (2), the department  
19 shall submit a public passenger transportation performance  
20 report to the Governor and the General Assembly by April 30  
21 of each year, covering the prior fiscal year.

22 (2) The report covering the 2005-2006 fiscal year shall  
23 be submitted by July 31, 2007.

24 § 1512. Coordination.

25 Coordination is required in regions where two or more award  
26 recipients have services or activities for which financial  
27 assistance is being provided under this chapter to assure that  
28 the services or activities are provided efficiently and  
29 effectively.

30 § 1513. Operating program.

(a) Eligible applicants.--The following may apply for financial assistance for operating expenses under this section:

(1) The governing body of a municipality or an instrumentality of a municipality.

(2) A Commonwealth agency or instrumentality.

(3) A local transportation organization.

(b) Applications.--In addition to information required under section 1507 (relating to application and approval process), an application for financial assistance under this section shall include the applicant's reasonable estimates of operating revenue and government subsidies sufficient to cover all projected operating expenses.

(c) Distribution formula.--

(1) No later than 15 business days after the effective date of this section the department shall forward to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin the base operating allocation for each local transportation organization.

(1.1) For purposes of determining the amount of assistance available for distribution under this subsection, in addition to the amounts allocated under section 1506(e)(1)(relating to fund), an amount equal to the revenue in the Public Transportation Assistance Fund dedicated pursuant to law shall be included.

(2) For fiscal year 2007-2008 and each fiscal year thereafter each qualifying local transportation organization shall receive financial assistance which shall consist of the following:

(i) Its base operating allocation multiplied by 1.0506.

1           (ii) An additional amount which shall be allocated  
2 based on the following distribution formula:

3           (A) Twenty-five percent of the award amount  
4 shall be based on the number of passengers. The  
5 actual amount received by each local transportation  
6 organization under this clause shall be calculated as  
7 follows:

8           (I) Multiply the total amount of funding  
9 available for distribution under this paragraph  
10 by 0.25.

11           (II) Multiply the product under subclause  
12 (I) by the local transportation organization's  
13 number of passengers.

14           (III) Divide the product under subclause  
15 (II) by the total number of passengers for all  
16 local transportation organizations.

17           (B) Ten percent of the award amount shall be  
18 based on the number of senior passengers to offset  
19 free fares for senior passengers. The actual amount  
20 received by each local transportation organization  
21 under this clause shall be calculated as follows:

22           (I) Multiply the total amount of funding  
23 available for distribution under this paragraph  
24 by 0.10.

25           (II) Multiply the product under subclause  
26 (I) by the local transportation organization's  
27 number of senior passengers.

28           (III) Divide the product under subclause  
29 (II) by the total number of senior passengers for  
30 all local transportation organizations.

1           (C) Thirty-five percent of the award amount  
2 shall be based on the number of revenue vehicle  
3 hours. The actual amount received by each local  
4 transportation organization under this clause shall  
5 be calculated as follows:

6           (I) Multiply the total amount of funding  
7 available for distribution under this paragraph  
8 by 0.35.

9           (II) Multiply the product under subclause  
10 (I) by the local transportation organization's  
11 number of revenue vehicle hours.

12           (III) Divide the product under subclause  
13 (II) by the total of the revenue vehicle hours  
14 for all local transportation organizations.

15           (D) Thirty percent of the award amount shall be  
16 based on the number of revenue vehicle miles. The  
17 actual amount received by each local transportation  
18 organization under this clause shall be calculated as  
19 follows:

20           (I) Multiply the total amount of funding  
21 available for distribution under this paragraph  
22 by 0.30.

23           (II) Multiply the product under subclause  
24 (I) by the local transportation organization's  
25 number of revenue vehicle miles.

26           (III) Divide the product under subclause  
27 (II) by the total number of revenue vehicle miles  
28 for all local transportation organizations.

29           (3) For the 2007-2008 fiscal year, no local  
30 transportation organization shall receive total financial

1 assistance under this subsection that would be more than 50%  
2 higher than the amount it receives under paragraph (2)(i).  
3 For each subsequent fiscal year, the increase in the total  
4 financial assistance provided to each local transportation  
5 organization shall not exceed 20% of the prior year  
6 allocation.

7 (c.1) Minimum.--No local transportation organization shall  
8 receive financial assistance under this section in an amount  
9 less than the amount received in the previous fiscal year.

10 (d) Local match requirements.--

11 (1) For fiscal year 2007-2008 and each fiscal year  
12 thereafter, except as provided under paragraph (2), financial  
13 assistance provided under this section shall be matched by  
14 local or private cash funding in an amount not less than the  
15 greater of:

16 (i) 15% of the amount of the financial assistance  
17 being provided; or

18 (ii) the amount required under former section  
19 1311(d) (relating to use of funds distributed) for fiscal  
20 year 2006-2007.

21 (2) Beginning in fiscal year 2007-2008 and each fiscal  
22 year thereafter, if the local matching funds provided are  
23 less than 15% of the amount of financial assistance received,  
24 the local transportation organization's required local  
25 matching funds shall increase annually in order to meet the  
26 15% requirement set forth under paragraph (1)(i). The local  
27 matching funds shall be increased annually by a minimum of 5%  
28 above the amount of local matching funds provided in the  
29 previous fiscal year unless a lesser amount is necessary to  
30 meet the 15% requirement set forth under paragraph (1)(i).

1           (3) Eligible local matching funds shall consist only of  
2 cash contributions provided by one or more municipalities or  
3 counties The amount of the match and the time period during  
4 which the match must continue to be available shall be  
5 specified in the financial assistance agreement. Funding  
6 provided by local and private entities, including advertising  
7 or naming rights, may qualify as local matching funds to the  
8 extent they provide for the cost of transit service that is  
9 open to the public. The following shall not be considered  
10 local matching funds:

11           (i) Any form of transit operating revenue or other  
12 forms of transit income provided by the local  
13 transportation organization.

14           (ii) Funds used to replace fares.

15           (4) A municipality in a metropolitan area which is a  
16 member of a local transportation organization is authorized  
17 to provide annual financial assistance from current revenues  
18 to the local transportation organization of which it is a  
19 member or enter into a long-term agreement for payment of  
20 money to assist in defraying the costs of operation,  
21 maintenance and debt service of the local transportation  
22 organization or of a particular public transportation project  
23 of a local transportation organization. The obligation of a  
24 municipality under an agreement pursuant to this paragraph  
25 shall not be considered to be a part of the indebtedness of  
26 the municipality, nor shall the obligation be deemed to  
27 impair the status of any indebtedness of the municipality  
28 which would otherwise be considered self-sustaining.

29           (e) Performance reviews.--

30           (1) The department may conduct performance reviews of an

1 award recipient under this section to determine the  
2 effectiveness of the financial assistance. Reviews shall be  
3 conducted at regular intervals as established by the  
4 department in consultation with the management of the award  
5 recipient. After completion of a review, the department shall  
6 issue a report that:

7 (i) highlights exceptional performance and  
8 identifies any problems that need to be resolved;

9 (ii) assesses performance, efficiency and  
10 effectiveness of the use of the financial assistance;

11 (iii) makes recommendations on follow-up actions  
12 required to remedy any problem identified; and

13 (iv) provides an action plan documenting who should  
14 perform the recommended actions and a time frame within  
15 which they should be performed.

16 (2) The department shall deliver the report to the  
17 Governor, to the chairman and minority chairman of the  
18 Transportation Committee of the Senate and to the chairman  
19 and minority chairman of the Transportation Committee of the  
20 House of Representatives. The department's regulations shall  
21 contain a description of the impact on both the amount of,  
22 and future eligibility for, financial assistance under this  
23 chapter based upon the degree to which the local  
24 transportation organization complies with the recommendations  
25 in the report. The department shall develop a list of best  
26 practices revealed by the reports issued under this  
27 subsection and shall post them on the department's Internet  
28 website.

29 (f) Performance criteria.--Criteria used for the reviews  
30 conducted under subsection (e) shall consist of passengers per

1 revenue vehicle hour, operating costs per revenue vehicle hour,  
2 operating revenue per revenue vehicle hour, operating costs per  
3 passenger and other items as the department may establish. The  
4 department's regulations shall set forth the minimum system  
5 performance criteria, based upon comparison of the award  
6 recipient to its past performance and to its peers, that an  
7 award recipient must satisfy.

8 (g) Failure to satisfy minimum performance criteria.--

9 (1) If a performance review conducted under subsection  
10 (e) reveals that the performance of an award recipient's  
11 transportation system has decreased compared to performance  
12 determined through a prior review, the department may, upon  
13 the written request of an award recipient, waive any  
14 requirement for a reduction in the amount of financial  
15 assistance to be awarded under this section for a reasonable  
16 time period to allow the award recipient to bring the system  
17 back to the required performance level. The award recipient  
18 shall provide written justification for providing a time  
19 period longer than two years. In order to obtain the waiver  
20 for the period requested, the award recipient must do all of  
21 the following:

22 (i) Develop an action plan to improve system  
23 performance that contains key measurable milestones. The  
24 action plan must be acceptable to the department and must  
25 be approved by the department in writing.

26 (ii) Submit quarterly progress reports on the action  
27 plan to the department.

28 (2) The department shall review and evaluate the award  
29 recipient's progress to determine if the system has improved.  
30 If the system has improved, the award recipient will remain



1 eligible for full formula funding as determined under  
2 subsection (c). If the system has not improved by the end of  
3 the waiver period, the waiver will be withdrawn. Expenses  
4 incurred by the award recipient as a result of the failure of  
5 the award recipient's system to meet the minimum performance  
6 criteria shall be borne by the award recipient.

7 (h) Adjustments to minimum performance criteria.--Upon  
8 written request of an award recipient, the department may adjust  
9 the minimum performance criteria described in subsection (g) in  
10 a given year if the performance of the award recipient's system  
11 is adversely affected by circumstances which are beyond the  
12 award recipient's control. Examples are labor strikes,  
13 infrastructure failures and natural disasters. The request must  
14 include the award recipient's reasons for seeking the  
15 adjustment.

16 § 1514. Asset improvement program.

17 (a) Eligible applicants.--

18 (1) The following may apply for financial assistance for  
19 improvement, replacement or expansion of capital projects  
20 under this section:

21 (i) A local transportation organization.

22 (ii) An agency or instrumentality of the  
23 Commonwealth.

24 (iii) A person responsible for coordinating  
25 community transportation program services.

26 (iv) Any other person the department deems to be  
27 eligible.

28 (2) The department shall develop and maintain four-year  
29 and 12-year plans that summarize the capital projects and  
30 financial assistance commitments for each applicant. The

1 department may enter into multiyear agreements to provide  
2 financial assistance for capital projects based upon cash  
3 flow and revenue projections for the fund. Each capital  
4 project shall be based on the plan developed by the  
5 department.

6 (b) Applications.--In addition to information required under  
7 section 1507 (relating to application and approval process), an  
8 application for financial assistance under this section shall  
9 include the following:

10 (1) Evidence satisfactory to the department that the  
11 proposed capital project is included in the first year of the  
12 applicant's four-year capital plan and its federally approved  
13 transportation improvement program.

14 (2) If an applicant is requesting financial assistance  
15 for replacement of a capital project, evidence satisfactory  
16 to the department that the capital project to be replaced has  
17 exceeded the useful life criteria as defined by the  
18 department. At its discretion, the department may approve  
19 funding to replace a capital project that does not exceed the  
20 useful life criteria if the applicant provides documentation  
21 acceptable to the department to justify the early replacement  
22 of the capital project.

23 (3) If the applicant is requesting financial assistance  
24 for expansion of a capital project, evidence satisfactory to  
25 the department that the applicant will have sufficient future  
26 annual operating funds to support the proposed expansion.

27 (4) Any other information required by the department,  
28 including a return on investment analysis or a life cycle  
29 cost analysis, or both.

30 (c) Local match requirements.--Financial assistance under

1 this section shall be matched by local or private cash funding  
2 in an amount not less than 3.33% of the amount of the financial  
3 assistance being provided. The source of funds for the local  
4 match shall be subject to the requirements of section 1513(d)(3)  
5 (relating to operating program).

6 (d) Conditions for receipt of bond funding.--Financial  
7 assistance that is funded by proceeds of Commonwealth capital  
8 bonds may be provided to an applicant if all of the following  
9 conditions are met:

10 (1) The applicant's capital project has been authorized  
11 by a capital budget project itemization act.

12 (2) The applicant's capital project was included in the  
13 department's approved annual release request approving the  
14 use of the funds for the proposed capital project in the  
15 fiscal year in which the funds are expected to be expended.

16 (3) The department has approved the underlying  
17 application for the capital project.

18 (e) Priorities.--The award of financial assistance under  
19 this section shall be subject to the following set of priorities  
20 in descending order of significance unless a compelling return  
21 on investment analysis for a project in a lower category is  
22 provided to and approved by the department:

23 (1) Requests for funds required to support existing  
24 local bond issues currently supported with State revenue  
25 sources, such as debt service and asset leases. The  
26 Commonwealth pledges to and agrees with any person, firm or  
27 corporation holding any bonds previously issued by, or any  
28 other debt incurred by, a local transportation organization,  
29 and secured in whole or part by a pledge of the funds  
30 provided to the local transportation organization from the

1 fund that the Commonwealth will not limit or alter rights  
2 vested in a local transportation organization in any manner  
3 inconsistent with obligations of the local transportation  
4 organization to the obligees of the local transportation  
5 organization until all bonds previously issued or other debt  
6 incurred, together with the interest thereon, is fully paid  
7 or provided for.

8 (2) Requests for funds required to match federally  
9 approved capital projects funded under 49 U.S.C. §§ 5307  
10 (relating to urbanized area formula grants) and 5309  
11 (relating to capital investment grants and loans) and other  
12 federally approved capital projects.

13 (3) Other non-Federal capital projects as determined by  
14 the department, which shall be further subject to the  
15 following set of priorities in descending order of  
16 significance:

17 (i) Essential emergency asset improvement projects.

18 (ii) Standard replacement of existing assets that  
19 have exceeded their useful life.

20 (iii) Asset improvement projects to extend the  
21 useful life of the affected assets.

22 (iv) Acquisition of new assets and other acceptable  
23 purposes, other than projects to be funded under the new  
24 initiatives program described in section 1515 (relating  
25 to new initiatives program), as determined by the  
26 department.

27 (f) Bonding by award recipients.--With the approval of the  
28 department, an award recipient that is permitted by law to issue  
29 bonds may do so for the purpose of financing a multiyear capital  
30 project. The department shall enter into an agreement with the

1 award recipient providing that payments of the awarded funds  
2 sufficient to satisfy requirements of the bonds issued be made  
3 directly to the trustee of the bond holders until such time as  
4 the bonds are retired.

5 § 1515. New initiatives program.

6 (a) Eligible applicants.--Persons eligible to apply for  
7 financial assistance under section 1514 (relating to asset  
8 improvement program) shall also be eligible to apply for  
9 financial assistance for new or expansions of fixed guideway  
10 systems under this section.

11 (b) Applications.--In addition to the information required  
12 under section 1507 (relating to application and approval  
13 process), an application for financial assistance under this  
14 section shall include all of the information required in an  
15 application for financial assistance under section 1514  
16 (relating to asset improvement program). If the application is  
17 for a proposed expansion of a capital project, the application  
18 shall also include evidence satisfactory to the department that  
19 the applicant will have sufficient future annual operating funds  
20 to support the proposed expansion.

21 (c) Source of funds and priorities.--

22 (1) Sums allocated for the asset improvement program  
23 under section 1506(e)(2) (relating to fund), up to a maximum  
24 of \$50,000,000 annually, may be used by the department to  
25 provide financial assistance under this section.

26 (2) In awarding financial assistance under this section,  
27 the department shall give priority to applicants that intend  
28 to use the funds to satisfy the local matching portion of  
29 federally approved New Starts projects funded pursuant to 49  
30 U.S.C. § 5309 (relating to capital investment grants and

1 loans). The department may fund projects that do not receive  
2 funding from the Federal New Starts Program if the applicant  
3 can provide sufficient evidence that the project can meet all  
4 of the following requirements:

5 (i) Investments in existing service areas have been  
6 optimized.

7 (ii) An analysis reveals a reasonable return on  
8 investment.

9 (iii) The public benefit of the project has been  
10 identified.

11 (iv) There exists a local dedicated funding commitment  
12 to pay any required local match for the project and ongoing  
13 operating costs.

14 (v) There exists local technical ability and capacity to  
15 manage, construct and operate the project.

16 (vi) The project is supported by the adoption of an  
17 integrated land use plan by local municipalities.

18 (d) Local match requirement.--Financial assistance under  
19 this section shall be matched by local or private cash funding  
20 in an amount not less than 3.33% of the amount of the financial  
21 assistance being provided. The source of funds for this local  
22 match shall be subject to the requirements of section 1513(d)(3)  
23 (relating to operating program).

24 § 1516. Programs of Statewide significance.

25 (a) General rule.--Money in the fund allocated for programs  
26 of Statewide significance shall be used by the department to  
27 support public transportation programs, activities and services  
28 not otherwise fully funded through the operating program,  
29 capital program or asset improvement program. In addition to any  
30 requirements contained in this section, applications must comply

1 with section 1507 (relating to application and approval  
2 process). Programs of Statewide significance shall include:

- 3 (1) The Persons with Disabilities Program.
- 4 (2) Intercity passenger rail and bus services.
- 5 (3) Community transportation capital and service  
6 stabilization.
- 7 (4) The Welfare to Work Program and matching funds for  
8 Federal programs with similar intent.
- 9 (5) Demonstration and research projects.
- 10 (6) Technical assistance.
- 11 (7) Other programs as determined by the department.
- 12 (8) The department's costs under section 1510(b)  
13 (relating to program oversight and administration) and  
14 section 1518 (relating to program oversight and  
15 administration).

16 (b) Persons with disabilities.--The department shall  
17 establish and administer a program providing reduced fares to  
18 persons with disabilities on community transportation services  
19 and to provide financial assistance for start-up, administrative  
20 and capital expenses related to reduced fares for persons with  
21 disabilities. All of the following shall apply:

22 (1) A community transportation system operating in the  
23 Commonwealth other than in counties of the first and second  
24 class may apply for financial assistance under this  
25 subsection.

26 (2) The department may award financial assistance under  
27 this subsection for program start-up and for continuing  
28 capital expenses to offset administrative and capital  
29 expenses. For community transportation trips made by eligible  
30 persons with disabilities, financial assistance may be

1 awarded to an eligible community transportation system to  
2 reimburse the system for up to 85% of the fare established  
3 for the general public for each trip which is outside of a  
4 fixed-route and paratransit service areas and not eligible  
5 for funding from any other program or funding source. The  
6 person making the trip or an approved third-party sponsor  
7 shall contribute the greater of 15% of the fare established  
8 for the general public or the Americans with Disabilities Act  
9 complementary paratransit fare.

10 (c) Intercity transportation.--The department is authorized  
11 to provide financial assistance for an efficient and coordinated  
12 intercity common carrier surface transportation program,  
13 consisting of both intercity passenger rail service and  
14 intercity bus service transportation, with the intent of  
15 sustaining strong intercity connections. All of the following  
16 shall apply:

17 (1) An intercity passenger rail service provider, a  
18 local transportation organization, an agency or  
19 instrumentality of the Commonwealth or a transportation  
20 company that provides intercity public transportation service  
21 may apply for financial assistance under this subsection. The  
22 department is authorized to enter into joint service  
23 agreements with a railroad company, any other agency or  
24 instrumentality of the Commonwealth, a Federal agency or an  
25 agency or instrumentality of any other jurisdiction relating  
26 to property, buildings, structures, facilities, services,  
27 rates, fares, classifications, dividends, allowances or  
28 charges, including charges between intercity rail passenger  
29 service facilities, or rules or regulations pertaining  
30 thereto, for or in connection with or incidental to



1 transportation in whole or in part upon intercity rail  
2 passenger service facilities.

3 (2) Operating assistance and capital assistance may be  
4 provided for intercity bus service and intercity passenger  
5 rail service as determined by the department.

6 (3) For financial assistance to a transportation  
7 company, eligible matching funds shall consist only of cash  
8 income generated by the transportation company from its  
9 activities, other than the provision of subsidized public  
10 passenger transportation service, and contributed by the  
11 transportation company in the amount and for the time period  
12 specified in the financial assistance agreement.

13 (4) Local match requirements are as follows:

14 (i) For intercity bus service operating and capital  
15 assistance, financial assistance shall require a local  
16 match by local or private cash funding in an amount equal  
17 to at least 100% of the amount of the financial  
18 assistance being provided.

19 (ii) For intercity passenger rail service operating  
20 and capital assistance, financial assistance shall  
21 require a local match on a case-by-case basis, taking  
22 into account the best interests of the Commonwealth.

23 (5) For purposes of this subsection, "local match" is  
24 defined as local revenue obtained from other nonsubsidized  
25 services, such as charter, school bus or profits realized  
26 from other intercity bus services. Local match shall not  
27 include any funds received from Federal or State sources.

28 (d) Community transportation.--

29 (1) The department is authorized to provide financial  
30 assistance under this section for all of the following:

1 (i) Capital expenditures for the provision of  
2 community transportation service; and

3 (ii) service stabilization, including:

4 (A) Stabilizing current service and fares.

5 (B) Providing advice or technical assistance to  
6 analyze and enhance community transportation system  
7 resources and services.

8 (C) Maximizing available funding including  
9 Federal dollars.

10 (D) Ensuring equitable cost sharing.

11 (2) Subject to the limitations of this subsection, the  
12 following may apply for financial assistance under this  
13 subsection:

14 (i) The governing body of a county, other than a  
15 county of the first or second class.

16 (ii) A transportation company designated by the  
17 governing body of the county as the coordinator of  
18 community transportation service.

19 (iii) An agency or instrumentality of the  
20 Commonwealth.

21 (2.1) Each eligible applicant shall be subject to all of  
22 the following requirements:

23 (i) An applicant for financial assistance for  
24 capital expenditures for the provision of public  
25 community transportation service shall certify to the  
26 department that it has taken all reasonable steps to  
27 coordinate local service for the elderly and persons with  
28 disabilities and that the services to be offered with the  
29 capital assets do not duplicate existing fixed-route  
30 services.

1           (ii) The governing body of a county or the  
2 coordinator described under this paragraph shall not be  
3 eligible for financial assistance for service  
4 stabilization if any of the following apply:

5           (A) The coordinator receives financial  
6 assistance under the operating program established  
7 under this chapter.

8           (B) The coordinator is a private for-profit  
9 provider.

10          (3) Financial assistance for service stabilization may  
11 only be provided for the following purposes:

12           (i) Short-term, long-term and strategic planning.

13           (ii) Technology investment.

14           (iii) Training programs designed to enhance  
15 transportation management and staff expertise.

16           (iv) Offsetting operating expenses that cannot be  
17 covered by fare revenue due to emergencies.

18           (v) Marketing activities.

19           (vi) Other stabilization purposes approved by the  
20 department.

21          (4) The department shall give high priority to providing  
22 financial assistance under this subsection as match for  
23 Federal funding to support capital projects for community  
24 transportation systems.

25          (5) The department shall conduct a study to evaluate the  
26 effectiveness and efficiency of community transportation  
27 service delivery as it relates to human service programs. The  
28 Department of Public Welfare, the Office of the Budget and  
29 the Department of Aging and other appropriate Commonwealth  
30 agencies identified by the department shall participate in

1 the study. Within two years following the effective date of  
2 this section, these agencies shall make recommendations to  
3 the Governor and the Majority and Minority chairpersons of  
4 the Transportation Committee of the Senate and the Majority  
5 and Minority chairpersons of the Transportation Committee of  
6 the House of Representatives for improving coordination and  
7 efficiency of human services and community transportation.

8 (d.1) Welfare-to-work and Federal programs match.--The  
9 department is authorized to provide financial assistance under  
10 this section to design and implement projects and services and  
11 to reimburse award recipients for the expenses associated with  
12 the projects and services that identify and address public  
13 passenger transportation and related barriers preventing  
14 individuals eligible for participation in the Federal welfare-  
15 to-work program from securing and maintaining employment and  
16 from accessing community services and facilities. All of the  
17 following shall apply:

18 (1) A local transportation organization, a  
19 transportation company designated by a county as the  
20 coordinator of community transportation services or any other  
21 person approved by the department may apply to the department  
22 for financial assistance under this subsection.

23 (2) Financial assistance awarded under this subsection  
24 shall be used for any of the following purposes:

25 (i) Fixed-route service subsidy.

26 (ii) Contracted transportation services.

27 (iii) Fixed-route fare discounts.

28 (iv) Community transportation fare discounts.

29 (v) Taxi fare discounts.

30 (vi) Mileage reimbursement.

(vii) Vehicle purchase, insurance, maintenance and repair.

(viii) Driver education classes.

(ix) Administrative expenses.

(x) Case management expenses.

(xi) Any other activities consistent with the transportation related elements of the welfare-to-work program.

(3) The department shall give high priority to providing financial assistance under this subsection as match for Federal funding to support projects with similar purposes and eligible uses, including the Federal Job Access Reverse Commute and New Freedoms programs.

(e) Technical assistance and demonstration.--The department is authorized to provide financial assistance under this section for technical assistance, research and short-term demonstration projects. All of the following shall apply:

(1) A local transportation organization or an agency or instrumentality of the Commonwealth may apply to the department for financial assistance under this subsection.

(2) Financial assistance provided under this subsection may be used for reimbursement for any approved operating or capital costs related to technical assistance and demonstration program projects. Financial assistance for short-term demonstration projects may be provided at the department's discretion on an annual basis based on the level of financial commitment provided by the award recipient to provide ongoing future funding for the project as soon as the project meets the criteria established by the department and the award recipient. Financial assistance for this purpose

1 shall not be provided for more than three fiscal years.

2 Financial assistance may be provided to meet any short-term  
3 emergency need that requires immediate attention and cannot  
4 be funded through other sources.

5 (3) Financial assistance under this subsection provided  
6 to a local transportation organization shall be matched by  
7 local or private cash funding in an amount not less than  
8 3.33% of the amount of the financial assistance being  
9 provided. The sources of funds for the local match shall be  
10 subject to the requirements of section 1513(d)(3) (relating  
11 to operating program).

12 § 1517. Capital improvements program.

13 (a) Eligibility.--A local transportation organization may  
14 apply for financial assistance under this section.

15 (b) Applications.--The department shall establish the  
16 contents of the application for the program established under  
17 this section. The information shall be in addition to  
18 information required under section 1507 (relating to application  
19 and approval process).

20 (c) Distribution formula.--The department shall award  
21 financial assistance under this section based on the number of  
22 passengers. The actual amount awarded to a local transportation  
23 organization under this subsection shall be calculated as  
24 follows:

25 (1) Multiply the local transportation organization's  
26 passengers by the total amount of funding available under  
27 this section.

28 (2) Divide the product under paragraph (1) by the sum of  
29 the passengers for all qualifying local transportation  
30 organizations.

1 (d) Payments.--Financial assistance under this section shall  
2 be paid to local transportation organizations at least  
3 quarterly.

4 (e) Reduction in financial assistance.--Financial assistance  
5 provided to a local transportation organization under this  
6 section shall be reduced by any financial assistance received  
7 previously under this section which has not been spent or  
8 committed in a contract within three years of its receipt.

9 § 1518. Program oversight and administration.

10 The department is authorized to use available money in the  
11 fund to cover the costs incurred by the department in  
12 administering all of its public passenger transportation funding  
13 programs, including those established under this chapter, and  
14 incurred in the carrying out of its responsibilities with  
15 respect to the programs.

16 § 1519. Retroactive authority.

17 (a) Date of project.--Financial assistance may be awarded  
18 under this chapter by the department with reference to an  
19 appropriate project irrespective of when it was first commenced  
20 or considered and regardless of whether costs with respect to  
21 the project were incurred prior to the time the financial  
22 assistance is applied for or provided.

23 (b) Capital projects.--

24 (1) For capital projects, the applicant must obtain  
25 written approval from the department prior to incurring any  
26 expenses for which the applicant may later seek  
27 reimbursement.

28 (2) Notwithstanding paragraph (1), approval by the  
29 department shall not constitute an approval of the  
30 applicant's underlying request for financial assistance.





1 § 8102. Definitions.

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

5 "Commission." The Pennsylvania Turnpike Commission.

6 "Cost of the department." The term includes the costs of all  
7 of the following:

8 (1) Constructing, reconstructing, widening, expanding or  
9 extending the State highway and rural State highway system  
10 and connecting roads, tunnels and bridges.

11 (2) Systems of public passenger transportation or  
12 portions of the systems, the placing of the systems in  
13 operation and the condemnation of property necessary for  
14 construction and operation of the systems.

15 (3) Lands, property rights, rights-of-way, easements and  
16 franchises acquired, which are deemed necessary or convenient  
17 for the construction, reconstruction, widening, expanding or  
18 extending under paragraph (1) or (2).

19 (4) Machinery and equipment, financing charges, interest  
20 prior to and during construction and for one year after  
21 completion of construction.

22 (5) Any of the following:

23 (i) Traffic estimates, engineering and legal  
24 expenses, plans, specifications, surveys, estimates of  
25 cost and of revenues.

26 (ii) Other expenses necessary or incident to  
27 determining the feasibility or practicability of the  
28 enterprise. This subparagraph includes administrative and  
29 legal expenses.

30 (iii) Other expenses as may be necessary or incident

1 to the financing authorized under this chapter, the  
2 construction, reconstruction, widening, expanding or  
3 extending of the State highway and the rural State  
4 highway system and connecting roads, tunnels and bridges.

5 (6) Any obligation or expense contracted for by the  
6 department or with the United States or an agency of the  
7 United States, for traffic surveys, preparation of plans and  
8 specifications, supervision of construction and other  
9 engineering, administrative and legal services and expenses  
10 in connection with the construction, reconstruction,  
11 widening, expanding or extending of the State highway and  
12 rural State highway system or any of the connecting roads,  
13 tunnels and bridges or the costs of the systems of public  
14 passenger transportation or portions of the systems.

15 (7) Payment of any notes or other obligations if the  
16 notes or other obligations were issued for the payment of a  
17 cost of the department.

18 "Cost of the turnpikes." The term includes the cost of:

19 (1) Constructing, reconstructing, widening, expanding or  
20 extending turnpikes, connecting roads, storm water management  
21 systems, buildings, interchanges, slip ramps, tunnels and  
22 bridges.

23 (2) Lands, property rights, rights-of-way, easements and  
24 franchises acquired by purchase or other means deemed  
25 necessary or convenient for construction.

26 (3) Machinery and equipment, financing charges and  
27 interest.

28 (4) Traffic estimates, engineering and legal expenses,  
29 plans, specifications, surveys, cost and revenue estimates,  
30 other expenses necessary or incident to determining the

1 feasibility or practicability of the enterprise,  
2 administrative and legal expense and other expenses as may be  
3 necessary or incident to the financing authorized in this  
4 chapter.

5 (5) Condemnation or other means of acquisition of  
6 property necessary for the construction and operation of the  
7 turnpikes.

8 (6) An obligation or expense contracted for by the  
9 commission with the department or with the United States or a  
10 Federal agency for any of the following:

11 (i) Traffic surveys, preparation of plans and  
12 specifications, supervision of construction and other  
13 engineering and administrative and legal services and  
14 expenses in connection with the construction,  
15 reconstruction, widening, expansion or extension of the  
16 turnpike or any of the connecting roads, storm water  
17 management systems, interchanges, slip ramps, tunnels and  
18 bridges.

19 (ii) Costs of reimbursing the Federal Government  
20 pursuant to the mandates of the Federal law for Federal  
21 funds expended for interstate or other highways which are  
22 to be made part of the turnpike system pursuant to this  
23 chapter.

24 (7) Any portion of the scheduled annual commission  
25 contribution required to be paid by the commission under 75  
26 Pa.C.S. Ch. 89 (relating to Pennsylvania Turnpike).

27 "Department." The Department of Transportation of the  
28 Commonwealth.

29 "Electronic toll collection." A system of collecting tolls  
30 or charges that is capable of charging an account holder for the

1 prescribed toll by electronic transmission of information  
2 between a device on a vehicle and a device in a toll lane at a  
3 toll collection facility.

4 "Lessee." A person, corporation, firm, partnership, agency,  
5 association or organization that rents, leases or contracts for  
6 the use of a vehicle and has exclusive use of the vehicle for  
7 any period of time.

8 "Lessor." A person, corporation, firm, partnership, agency,  
9 association or organization engaged in the business of renting  
10 or leasing vehicles to any lessee under a rental agreement,  
11 lease or other agreement under which the lessee has the  
12 exclusive use of the vehicle for any period of time.

13 "Operator." An individual that uses or operates a vehicle  
14 with or without permission of the owner.

15 "Owner." Except as provided under section 8117(e) (relating  
16 to electronic toll collection), an individual, copartnership,  
17 association or corporation having title or interest in a  
18 property right, easement or franchise authorized to be acquired  
19 under this chapter.

20 "Public passenger transportation." Transportation within an  
21 area that includes a municipality or other built up place that  
22 is appropriate in the judgment of the Department of  
23 Transportation to serve commuters or others in the locality  
24 taking into consideration the local patterns and trends of  
25 growth by bus or rail or other conveyance, either publicly or  
26 privately owned, serving the general public. The term does not  
27 include school buses, charter or sightseeing services.

28 "Rural State highway system." All roads and highways taken  
29 over by the Commonwealth as State highways under the provisions  
30 of the act of June 22, 1931 (P.L.594, No.203), referred to as

1 the Township State Highway Law, and all other roads and highways  
2 specifically designated by the Secretary of the Commonwealth as  
3 rural State highways.

4 "Secretary." The Secretary of Transportation of the  
5 Commonwealth.

6 "State highway." All roads and highways taken over by the  
7 Commonwealth as State highways under the provisions of any  
8 statute other than the act of June 22, 1931 (P.L.594, No.203),  
9 referred to as the Township State Highway Law. Unless clearly  
10 intended, the term shall not include any street in any city,  
11 borough or incorporated town, even though the street may have  
12 been taken over as a State highway.

13 "System of public passenger transportation." A system of  
14 public passenger transportation, including rail transportation  
15 facilities used for public passenger transportation, which may  
16 include the any of following:

17 (1) Railway, street railway, subway, elevated and  
18 monorail passenger or passenger and rail rolling stock,  
19 including self-propelled and gallery cars, locomotives,  
20 passenger buses and wires, poles and equipment for the  
21 electrification of any of the rails, tracks and roadbeds,  
22 guideways, elevated structures, buildings, stations,  
23 terminals, docks, shelters and parking areas for use in  
24 connection with the rail transportation systems,  
25 interconnecting lines and tunnels to provide passenger or  
26 passenger and rail service connections between transportation  
27 systems, transportation routes, corridors and rights-of-way  
28 therefor, but not for public highways.

29 (2) Signal and communication systems necessary or  
30 desirable for the construction, operation or improvement of a

1 public passenger transportation system.

2 (3) Any improvement or overhaul of any vehicle equipment  
3 or furnishings of any of the items specified under paragraphs  
4 (1) and (2) or any part or fractional and undivided co-  
5 ownership or leasehold interest in any one or combination of  
6 any of the items specified under paragraphs (1) and (2) that  
7 may be designated as a system of public passenger  
8 transportation by the Secretary of Transportation.

9 "Toll road conversion." The inclusion within the turnpike  
10 system and the imposition of tolls on the system of a highway  
11 that is presently toll free.

12 "Turnpikes." Any of the following:

13 (1) The turnpike, turnpike extensions and turnpike  
14 improvements.

15 (2) Toll-free roads converted or to be converted to toll  
16 roads under this chapter.

17 (3) Related storm water management systems,  
18 interchanges, slip ramps, tunnels and bridges, property  
19 rights, easements and franchises deemed necessary or  
20 convenient for the construction, reconstruction, widening,  
21 expansion, extension or the operation of the turnpike,  
22 turnpike extension, turnpike improvement and toll-free roads.

23 "Vehicle." The term as it is defined under 75 Pa.C.S. § 102  
24 (relating to definitions).

25 "Violation enforcement system." A vehicle sensor, placed in  
26 a location to work in conjunction with a toll collection  
27 facility, which automatically produces a videotape or  
28 photograph, microphotograph or other recorded image of the rear  
29 portion of each vehicle at the time the vehicle is used or  
30 operated in violation of the toll collection regulations. The

1 term includes any other technology which identifies a vehicle by  
2 photographic, electronic or other method.

3 § 8103. (Reserved).

4 § 8104. Status of turnpike revenue bonds, notes or other  
5 obligations.

6 (a) General rule.--The turnpike revenue bonds, notes or  
7 other obligations issued under the provisions of this chapter  
8 shall not be deemed to be a debt of the Commonwealth or a pledge  
9 of the faith and credit of the Commonwealth, but bonds, notes or  
10 other obligations shall be payable solely from the revenues of  
11 the commission, including tolls, or from funds as may be  
12 available to the commission for that purpose.

13 (b) Statement required.--All bonds, notes or other  
14 obligations shall contain a statement on their face that the  
15 Commonwealth is not obligated to pay the same or the interest  
16 thereon except from revenues of the commission, including tolls,  
17 or from funds as may be available to the commission for that  
18 purpose and that the faith and credit of the Commonwealth is not  
19 pledged to the payment of the principal or interest of the  
20 bonds, notes or other obligations.

21 (c) Pledge of Commonwealth prohibited.--The issuance of  
22 turnpike revenue bonds, notes or other obligations under the  
23 provisions of this chapter shall not directly or indirectly or  
24 contingently obligate the Commonwealth to levy or to pledge any  
25 form of taxation or to make any appropriation for their payment.

26 § 8105. Commission.

27 (a) (Reserved).

28 (b) Vacancies and terms.--

29 (1) Notwithstanding any other law, any vacancy in the  
30 membership of the commission shall be filled by appointment

1 of the Governor by and with the advice and consent of two-  
2 thirds of the members elected to the Senate.

3 (2) The appointed member shall serve for a term of four  
4 years. Upon the expiration of this term, the appointed member  
5 may continue to hold office until his successor shall be duly  
6 appointed and qualified.

7 (c) (Reserved).

8 (d) Secretary.--The provisions of subsection (a) shall not  
9 apply to the appointment of the secretary who shall continue to  
10 be appointed and to serve as a member of the commission ex  
11 officio in accordance with law.

12 (e) Chairman.--A majority of the members of the commission  
13 shall elect a member of the commission to serve as chairman.  
14 Upon the appointment and qualification of any new member to  
15 serve on the commission, the office of chairman, and the  
16 positions of all other officers created by law, shall be deemed  
17 vacant, and a new chairman and other officers shall be elected  
18 by a majority of the members of the commission.

19 (f) Actions by the commission.--Notwithstanding any other  
20 law, court decision, precedent or practice to the contrary, any  
21 and all actions by or on behalf of the commission shall be taken  
22 solely upon the approval of a majority of the members to the  
23 commission. The term "actions by or on behalf of the  
24 commission," as used in this subsection, means any action  
25 whatsoever of the commission, including, but not limited to, the  
26 hiring, appointment, removal, transfer, promotion or demotion of  
27 any officers and employees; the retention, use or remuneration  
28 of any advisors, counsel, auditors, architects, engineers or  
29 consultants; the initiation of any legal action; the making of  
30 any contracts, leases, agreements, bonds, notes or covenants;



1 the approval of requisitions, purchase orders, investments and  
2 reinvestments; and the adoption, amendment, revision or  
3 rescission of any rules and regulations, orders or other  
4 directives. The chairman, vice chairman or any other officer or  
5 employee of the commission may take no action by or on behalf of  
6 the commission except as expressly authorized by a majority of  
7 the members of the commission.

8 (g) Compensation.--The annual salary of the Chairman of the  
9 Pennsylvania Turnpike Commission shall be \$28,500, and the  
10 annual salary of the remaining members of the Pennsylvania  
11 Turnpike Commission shall be \$26,000. These salaries shall be  
12 paid in equal installments every other week.

13 § 8106. Exercise of commission powers.

14 The exercise by the commission of the powers conferred by  
15 this chapter in the construction, operation and maintenance of  
16 the turnpikes and in effecting toll road conversions shall be  
17 deemed and held to be an essential governmental function of the  
18 Commonwealth.

19 § 8107. Commission powers and duties.

20 (a) Powers and duties of commission.--The commission may:

21 (1) Maintain a principal office at a place designated by  
22 the commission.

23 (2) Contract and be contracted with in its own name.

24 (3) Sue and be sued in its own name, plead and be  
25 impleaded. Any civil action against the commission shall be  
26 brought only in the courts in which actions may be brought  
27 against the Commonwealth.

28 (4) Have an official seal.

29 (5) Make necessary rules and regulations for its own  
30 governance and in control of traffic.

1           (6) Acquire, hold, accept, own, use, hire, lease,  
2       exchange, operate and dispose of personal property, real  
3       property and interests in real property and make and enter  
4       into all contracts and agreements necessary or incidental to  
5       the performance of its duties and the execution of its powers  
6       under this chapter and employ engineering, traffic,  
7       architectural and construction experts and inspectors,  
8       attorneys and other employees as may in its judgment be  
9       necessary and fix their compensation.

10          (7) Provide grade separations at its own expense with  
11       respect to all public roads, State highways and interstate  
12       highways intersected by the turnpikes and to change and  
13       adjust the lines and grades thereof so as to accommodate the  
14       same to the design for grade separation.

15               (i) The damages incurred in changing and adjusting  
16       the lines and grades of public roads, State highways and  
17       interstate highways shall be ascertained and paid by the  
18       commission in accordance with 26 Pa.C.S. (relating to  
19       eminent domain).

20               (ii) If the commission shall find it necessary to  
21       provide a grade separation or change the site of any  
22       portion of any interstate highway, State highway or  
23       public road, or vacate the same, the commission shall  
24       cause it to be reconstructed and restored at the  
25       commission's expense on the most favorable location and  
26       in as satisfactory a manner as the original road or  
27       vacate it as the case may be.

28               (iii) The method of acquiring the right-of-way and  
29       determining damages incurred in changing the location of  
30       or vacating the road, State highway or interstate highway

1 shall be ascertained and paid for in accordance with 26  
2 Pa.C.S.

3 (8) Petition the court of common pleas of the county in  
4 which any public road or part thereof is located and affected  
5 by the location of the turnpikes, for the vacation,  
6 relocation or supply of the same or any part thereof with the  
7 same force and effect as is now given by existing laws to the  
8 inhabitants of any township or the county, and the  
9 proceedings upon petition, whether for the appointment of  
10 viewers or otherwise, shall be the same as provided by  
11 existing law for similar proceedings upon the petitions.

12 (9) Negotiate and enter into interest rate swaps and  
13 other interest rate hedges to assist the commission in  
14 managing interest cost and rate risk in connection with its  
15 debt.

16 (10) Provide for costs of the department.

17 (11) Have all of the powers and perform all the duties  
18 prescribed by the act of May 21, 1937 (P.L.774, No.211),  
19 referred to as the Pennsylvania Turnpike Commission Act.

20 (b) Maintenance to be paid out of tolls.--

21 (1) The turnpike extensions and improvements and toll-  
22 free roads converted to toll roads when completed and open to  
23 traffic shall be maintained and repaired by and under the  
24 control of the commission.

25 (2) All charges and costs for the maintenance and  
26 repairs actually expended by the commission shall be paid out  
27 of tolls.

28 (3) The turnpike, the turnpike extensions and  
29 improvements and the toll-free roads converted to toll roads  
30 shall also be policed and operated by a force of police, toll

takers and other operating employees as the commission may in its discretion employ.

§ 8108. Expenses and bonding of commission members.

(a) Payment of expenses.--All compensation and salaries and all expenses incurred in carrying out the provisions of this chapter shall be paid solely from funds provided under the authority of this chapter, and no liability or obligation shall be incurred under this chapter beyond the extent to which money shall have been provided under the authority of this chapter.

(b) No additional bond required.--The issuance of any turnpike revenue bonds, notes or other obligations under the provisions of this chapter shall not cause any member of the commission to be required to execute a bond that a member of the commission is not otherwise required to execute.

§ 8109. Acquisition of property rights by commission.

(a) Condemnation.--The commission may condemn, pursuant to 26 Pa.C.S. (relating to eminent domain), any lands, interests in lands, property rights, rights-of-way, franchises, easements and other property deemed necessary or convenient for the construction and efficient operation of the turnpikes and the toll road conversions or necessary in the restoration or relocation of public or private property damaged or destroyed.

(b) Purchase.--

(1) The commission may acquire by purchase, whenever it shall deem the purchase expedient, or otherwise accept if dedicated to it, any lands, interests in lands, property rights, rights-of-way, franchises, easements and other property deemed necessary or convenient for the construction and efficient operation of the turnpikes and toll road conversions or necessary in the restoration of public or

1 private property damaged or destroyed, whether the property  
2 has been previously condemned or otherwise, upon terms and at  
3 a price as may be considered by the commission to be  
4 reasonable and can be agreed upon between the commission and  
5 the owner thereof and to take title thereto in the name of  
6 the commission.

7 (2) The net proceeds of the purchase price payable to a  
8 municipality or the department for any real property or  
9 interest therein obtained by the commission pursuant to this  
10 chapter, less the cost of retiring any bonded indebtedness on  
11 the property or interest, shall be used exclusively, in the  
12 case of a municipality, for road-related and bridge-related  
13 expenses and, in the case of the department, for highway and  
14 bridge construction, reconstruction and maintenance in the  
15 same engineering and maintenance district in which the  
16 property is located.

17 § 8110. Procedural requirements of acquisition.

18 (a) Title.--Title to any property condemned by the  
19 commission shall be taken in the name of the commission.

20 (b) Entry.--

21 (1) In addition to any others powers set forth in this  
22 chapter, the commission and its authorized agents and  
23 employees may enter upon any lands, waters and premises in  
24 this Commonwealth for the purpose of making surveys,  
25 soundings, drillings and examinations, as it may deem  
26 necessary or convenient for the purpose of this chapter.

27 (2) The entry shall not be deemed a trespass, nor shall  
28 an entry for the purposes be deemed an entry under any  
29 condemnation proceedings which may be then pending.

30 (3) The commission shall make reimbursement for any

1 actual damages resulting to the lands, waters and premises as  
2 a result of the activities.

3 (c) Restoration of property.--Any public or private property  
4 damaged or destroyed in carrying out the powers granted by this  
5 chapter shall be restored or repaired and placed in its original  
6 condition as nearly as practicable or adequate compensation made  
7 for the property out of funds provided under the authority of  
8 this chapter.

9 (d) Powers of public bodies.--Notwithstanding any other  
10 provision of law to the contrary, a political subdivision or a  
11 public agency or commission of the Commonwealth may lease, lend,  
12 dedicate, grant, convey or otherwise transfer to the commission,  
13 upon its request, upon terms and conditions as the proper  
14 authorities of the political subdivision or public agency or  
15 commission of the Commonwealth deems reasonable and fair and  
16 without the necessity for any advertisement, order of court or  
17 other action or formality, other than the regular and formal  
18 action of the authorities concerned, any real property which may  
19 be necessary or convenient to the effectuation of the authorized  
20 purposes of the commission, including public roads and other  
21 real property already devoted to public use.

22 § 8111. Entry and possession of property condemned.

23 Whenever the commission has condemned any lands, rights,  
24 rights-of-way, easements and franchises, or interests therein,  
25 as provided in this chapter, the commission may proceed to  
26 obtain possession in the manner provided by 26 Pa.C.S. (relating  
27 to the eminent domain).

28 § 8112. Issuance of turnpike revenue bonds or other  
29 obligations.

30 (a) Authorization.--

1           (1) A bond must be authorized by resolution of the  
2 commission. The resolution may specify all of the following:

3           (i) Series.

4           (ii) Date of maturity not exceeding 40 years from  
5 date of issue.

6           (iii) Interest.

7           (iv) Denomination.

8           (v) Form, either coupon or fully registered without  
9 coupons.

10          (vi) Registration, exchangeability and  
11 interchangeability privileges.

12          (vii) Medium of payment and place of payment.

13          (viii) Terms of redemption not exceeding 105% of the  
14 principal amount of the bond.

15          (ix) Priorities in the revenues or receipts of the  
16 commission.

17          (2) A bond must be signed by or shall bear the facsimile  
18 signature of such officers as the commission determines. A  
19 bond may be issued and delivered notwithstanding that one or  
20 more of the signing officers or the treasurer has ceased to  
21 be an officer when the bond is actually delivered. A bond  
22 must be authenticated by an authenticating agent, a fiscal  
23 agent or a trustee, if required by the authorizing  
24 resolution.

25          (3) A bond may be sold at public or private sale for a  
26 price determined by the commission.

27          (4) Pending the preparation of a definitive bond,  
28 interim receipts or temporary bonds without coupons may be  
29 issued to the purchaser and may contain terms and conditions  
30 as the commission determines.

1 (b) Provisions.--A resolution authorizing a bond may contain  
2 provisions which shall be part of the contract with the  
3 bondholder as to the following:

4 (1) Pledging the full faith and credit of the commission  
5 but not of the Commonwealth or any political subdivision for  
6 the bond or restricting the obligation of the commission to  
7 all or any of the revenue of the commission from all or any  
8 projects or properties.

9 (2) The payment of the costs of the department, the  
10 costs of the turnpikes and the toll road conversions,  
11 including the reconstruction of the converted roads as  
12 provided for in this chapter and the repayment to the Federal  
13 Treasury of any funds so required to be repaid pursuant to  
14 any special legislation passed by the Congress of the United  
15 States authorizing the conversion of toll-free roads to toll  
16 roads, the financing for insurance reserves and the duties of  
17 the commission with reference to these matters.

18 (3) Terms and provisions of the bond.

19 (4) Limitations on the purposes to which the proceeds of  
20 the bond or other financing may be applied.

21 (5) Rate of tolls and other charges for use of the  
22 facilities of or for the services rendered by the commission.

23 (6) The setting aside, regulation and disposition of  
24 reserves and sinking funds.

25 (7) Limitations on the issuance of additional bonds.

26 (8) Terms and provisions of any deed of trust or  
27 indenture securing the bond or under which any deed of trust  
28 or indenture may be issued.

29 (9) Other additional agreements with the holder of the  
30 bond.



1 (c) Deeds of trust.--The commission may enter into any deed  
2 of trust, indenture or other agreement with any bank or trust  
3 company or other person in the United States having power to  
4 enter into such an arrangement, including any Federal agency, as  
5 security for a bond and may assign and pledge all or any of the  
6 revenues or receipts of the commission under such deed,  
7 indenture or agreement. The deed of trust, indenture or other  
8 agreement may contain provisions as may be customary in such  
9 instruments or as the commission may authorize, including  
10 provisions as to the following:

11 (1) For the payment of the costs of the department, the  
12 costs of the turnpikes and the toll road conversions,  
13 including the reconstruction of the converted roads as  
14 provided for in this chapter and the repayment to the Federal  
15 Treasury of any funds so required to be repaid pursuant to  
16 any special legislation passed by the Congress of the United  
17 States authorizing the conversion of toll-free roads to toll  
18 roads, financing for insurance reserves and the duties of the  
19 commission with reference to these matters.

20 (2) Application of funds and the safeguarding of funds  
21 on hand or on deposit.

22 (3) Rights and remedies of trustees and bondholders,  
23 including restrictions upon the individual right of action of  
24 a bondholder.

25 (4) Terms and provisions of the bond or the resolution  
26 authorizing the issuance of the bond.

27 (d) Negotiability.--A bond shall have all the qualities of  
28 negotiable instruments under 13 Pa.C.S. Div. 3 (relating to  
29 negotiable instruments).

30 § 8113. Obligation proceeds restricted and lien created.

1 All money received from any bonds, notes or other obligations  
2 issued under this chapter shall be applied solely to the payment  
3 of the costs of the department, the costs of the turnpikes, the  
4 turnpike extensions and improvements and the toll road  
5 conversions, including the reconstruction of the converted roads  
6 as provided for in this chapter and the repayment to the Federal  
7 Treasury of any funds so required to be repaid pursuant to any  
8 special legislation passed by the Congress of the United States  
9 authorizing the conversion of toll-free roads to toll roads or  
10 to the appurtenant fund. There is created and granted a lien  
11 upon the money, until so applied, in favor of holders of the  
12 bonds, notes or other obligations or the trustee provided for in  
13 this chapter in respect of the bonds, notes or other  
14 obligations.

15 § 8114. Trust indenture authorized.

16 (a) Security for bonds.--In the discretion of the  
17 commission, the bonds, notes or other obligations may be secured  
18 by a trust indenture by and between the commission and a  
19 corporate trustee, which may be any trust company or bank having  
20 the powers of a trust company, within this Commonwealth. The  
21 trust indenture may pledge or assign tolls and revenue to be  
22 received but shall not convey or mortgage the Pennsylvania  
23 Turnpike System, including the turnpikes and toll road  
24 conversions provided for by this chapter.

25 (b) Rights of bondholders.--Either the resolution providing  
26 for the issuance of the bonds, notes or other obligations or the  
27 trust indenture may contain provisions for protecting and  
28 enforcing the rights and remedies of the bondholders or holders  
29 of notes or other obligations as may be reasonable and proper  
30 and not in violation of law, including covenants setting forth

1 the duties of the commission in relation to the acquisition of  
2 properties and the construction, maintenance, operation and  
3 repair and insurance of the turnpikes, and the custody,  
4 safeguarding and application of all money. It shall be lawful  
5 for any bank or trust company incorporated under the laws of  
6 this Commonwealth to act as a depository of the proceeds of  
7 bonds, notes or other obligations or revenues and to furnish the  
8 indemnity bonds or to pledge the securities as may be required  
9 by the commission. The trust indenture may set forth the rights  
10 and remedies of the bondholders or holders of notes or other  
11 obligations and of the trustee and may restrict the individual  
12 right of action of bondholders or holders of notes or other  
13 obligations as is customary in trust indentures securing bonds,  
14 debentures of corporations, notes or other obligations. In  
15 addition to the foregoing, the trust indenture may contain other  
16 provisions as the commission may deem reasonable and proper for  
17 the security of bondholders or holders of notes or other  
18 obligations. All expenses incurred in carrying out the trust  
19 indenture may be treated as part of the cost of maintenance,  
20 operation and repair of the turnpikes and toll road conversions  
21 provided for by this chapter.

22 § 8115. Commission and obligations tax exempt.

23 The accomplishment by the commission of the authorized  
24 purposes stated in this chapter being for the benefit of the  
25 people of this Commonwealth and for the improvement of their  
26 commerce and prosperity, in which accomplishment the commission  
27 will be performing essential governmental functions, the  
28 commission shall not be required to pay any taxes or assessments  
29 on any property acquired or used by it for the purposes provided  
30 in this chapter, and the bonds, notes or other obligations

1 issued by the commission, their transfer and the income  
2 therefrom, including any profits made on the sale thereof, shall  
3 at all times be free from taxation within this Commonwealth.

4 § 8116. Collection and disposition of tolls and other revenue.

5 (a) Establishment and changes in toll amounts.--Subject to  
6 the terms of any trust indenture entered into by the commission  
7 or any resolution authorizing the issuance of any bonds, notes  
8 or other obligations of the commission, the commission is  
9 authorized: to fix and to revise tolls for the use of the  
10 Pennsylvania Turnpike System and the different parts or sections  
11 of the system, including the turnpike, the turnpike extensions  
12 and improvements and the toll road conversions authorized by  
13 this chapter. The commission is further authorized to charge and  
14 collect tolls; to contract with any person, partnership,  
15 association or corporation desiring the use of any part thereof,  
16 including the right-of-way adjoining the paved portion, for  
17 placing thereon telephone, telegraph, electric light or power  
18 lines, gas stations, garages, stores, hotels, restaurants and  
19 advertising signs, or for any other purpose, except for service  
20 plazas in the right-of-way along Interstate 80 and for tracks  
21 for railroad or railway use; and to fix the terms, conditions,  
22 rents and rates of charges for use. Tolls shall be fixed and  
23 adjusted as to provide funds at least sufficient with other  
24 revenues of the Pennsylvania Turnpike System, if any, to pay all  
25 of the following:

26 (1) The cost of the turnpikes. This paragraph includes  
27 the cost of constructing, reconstructing, widening,  
28 expanding, extending, maintaining, repairing and operating  
29 the Pennsylvania Turnpike System and the different parts and  
30 sections of the system.

1 (2) Any of the following:

2 (i) The commission's bonds, notes or other  
3 obligations and the interest on them.

4 (ii) Sinking fund requirements of the commission.

5 (iii) Other requirements provided for by any  
6 resolution authorizing the issuance of the bonds, notes  
7 or other obligations by the commission, or by any trust  
8 indenture to which the commission is a party, as they  
9 become due.

10 (3) Amounts due to the department under 75 Pa.C.S. Ch.  
11 89 (relating to Pennsylvania Turnpike) and pursuant to the  
12 lease agreement under 75 Pa.C.S. § 8915.3 (relating to lease  
13 of Interstate 80).

14 (4) The cost of repayment to the Federal Government of  
15 funds required to be repaid pursuant to Federal legislation  
16 authorizing the conversion of toll-free roads to toll roads.

17 (5) Any other amounts payable to the Commonwealth or to  
18 the department.

19 (b) Restrictions on toll revenue.--Tolls shall not be  
20 subject to supervision or regulation by any other State  
21 commission, board, bureau or agency. Subject to the terms of any  
22 presently existing trust indenture entered into by the  
23 commission and any presently existing resolution authorizing the  
24 issuance of any bonds, notes or other obligations of the  
25 commission, the tolls and all other revenue derived from the  
26 Pennsylvania Turnpike System shall be set aside and pledged as  
27 may be provided in any resolutions, trust indentures or any  
28 other agreements that the commission may hereafter adopt or  
29 hereafter enter into with respect to the issuance of bonds,  
30 notes or other obligations of the commission.

1 § 8117. Electronic toll collection.

2 (a) Liability of owner.--

3 (1) If an operator of a vehicle fails to pay the  
4 prescribed toll at any location where tolls are collected by  
5 means of electronic toll collection, the owner of the vehicle  
6 shall be liable to the commission for failure of the operator  
7 of the vehicle to comply with this section if the violation  
8 is evidenced by information obtained from a violation  
9 enforcement system.

10 (2) If a violation of this section is committed, the  
11 registration plate number of the vehicle as recorded by a  
12 violation enforcement system shall establish an inference  
13 that the owner of the vehicle was then operating the vehicle.  
14 The inference shall be overcome if the owner does all of the  
15 following:

16 (i) Testifies that the owner was not operating the  
17 vehicle at the time of the violation.

18 (ii) Submits to an examination as to who at the time  
19 was operating the vehicle.

20 (iii) Reveals the name and residence address, if  
21 known, of the operator of the vehicle.

22 (3) If an action or proceeding is commenced in a county  
23 other than that of the residence of the owner, a verified  
24 written statement setting forth the facts prescribed under  
25 paragraph (2)(i), (ii) and (iii) shall suffice to overcome  
26 the inference.

27 (4) If the inference is overcome, the operator of the  
28 vehicle may be held liable under this section for failure to  
29 pay the prescribed toll in the same manner as if the operator  
30 were the owner of the vehicle.

1 (b) Imposition of liability.--Liability under this section  
2 shall be imposed upon an owner for a violation of this section  
3 or the regulations of the commission occurring within the  
4 territorial limits of this Commonwealth. If a violation is  
5 committed as evidenced by a violation enforcement system, the  
6 following shall apply:

7 (1) The commission or an authorized agent or employee  
8 must prepare and mail a notice of violation as follows:

9 (i) The notice of violation must be sent by first  
10 class mail to each person alleged to be liable as an  
11 owner for a violation of this section.

12 (ii) The notice must be mailed at the address shown  
13 on the vehicle registration or at the address of the  
14 operator, as applicable. Notice must be mailed no later  
15 than 60 days after:

16 (A) the alleged conduct; or

17 (B) the date the inference is overcome under  
18 subsection (a)(2).

19 (iii) Personal service is not required.

20 (iv) The notice must contain all of the following:

21 (A) Information advising the person charged of  
22 the manner and time in which the liability alleged in  
23 the notice may be contested.

24 (B) A warning advising the person charged that  
25 failure to contest in the manner and time provided  
26 shall be deemed an admission of liability and that a  
27 default judgment may be entered on the notice.

28 (1.1) A manual or automatic record of mailing prepared  
29 in the ordinary course of business shall be prima facie  
30 evidence of the mailing of notice.

1           (2) If an owner of a vehicle or an owner that is a  
2     lessor of a vehicle receives a notice of violation under this  
3     section for any time period during which the vehicle was  
4     reported to a police department as having been stolen, it  
5     shall be a defense to the allegation of liability that the  
6     vehicle had been reported to the police as having been stolen  
7     prior to the time the violation occurred and that the vehicle  
8     had not been recovered by the time of the violation. For  
9     purposes of asserting the defense under this paragraph, it  
10    shall be sufficient that a certified copy of the police  
11    report on the stolen vehicle be sent by first class mail to  
12    the commission within 30 days after receiving the original  
13    notice of violation. Failure to send the information within  
14    the time limit under this paragraph shall render the owner or  
15    lessor liable for the penalty prescribed by this section.

16          (3) An owner that is a lessor of a vehicle as to which a  
17    notice of violation was issued under paragraph (1) shall not  
18    be liable for a violation if the owner sends to the  
19    commission a copy of the rental, lease or other contract  
20    document covering the vehicle on the date of the violation,  
21    with the name and address of the lessee clearly legible to  
22    the commission, within 30 days after receiving the original  
23    notice of violation. Failure to send the information within  
24    the time limit under this paragraph shall render the lessor  
25    liable for the penalty prescribed by this section. If the  
26    lessor complies with the provisions of this section, the  
27    lessee of the vehicle on the date of the violation shall be  
28    deemed to be the owner of the vehicle for purposes of this  
29    section and shall be subject to liability for the penalty  
30    under this section.



1           (4) A certified report or a facsimile report of an  
2 authorized agent or employee of the commission reporting a  
3 violation of this section or regulations of the commission  
4 based upon the recorded information obtained from a violation  
5 enforcement system shall be prima facie evidence of the facts  
6 contained in the report and shall be admissible as an  
7 official record kept in the ordinary course of business in  
8 any proceeding charging a violation of this section or the  
9 toll collection regulations of the commission.

10           (5) Notwithstanding any other provision of law,  
11 videotapes, photographs, microphotographs, other recorded  
12 images, written records, reports or facsimiles prepared  
13 pursuant to this section shall be for the exclusive use of  
14 the commission, its authorized agents, its employees and law  
15 enforcement officials for the purpose of discharging duties  
16 under this section and the regulations of the commission. The  
17 information shall not be deemed a public record under the act  
18 of June 21, 1957 (P.L.390, No.212), referred to as the Right-  
19 to-Know Law. The information shall not be discoverable by  
20 court order or otherwise; nor shall it be offered in evidence  
21 in any action or proceeding which is not directly related to  
22 a violation of this section, the regulations of the  
23 commission or indemnification for liability imposed pursuant  
24 to this section. The restrictions set forth in this  
25 paragraph:

26           (i) shall not be deemed to preclude a court of  
27 competent jurisdiction from issuing an order directing  
28 that the information be provided to law enforcement  
29 officials if the information is reasonably described and  
30 is requested solely in connection with a criminal law

1 enforcement action;

2 (ii) shall not be deemed to preclude the exchange of  
3 the information between any entities with jurisdiction  
4 over or which operate an electronic toll collection  
5 system in this Commonwealth or any other jurisdiction;  
6 and

7 (iii) shall not be deemed to prohibit the use of  
8 information exclusively for the purpose of billing  
9 electronic toll collection account holders, deducting  
10 toll charges from the account of an account holder,  
11 enforcing toll collection laws and related regulations or  
12 enforcing the provisions of an account holder agreement.

13 (6) An imposition of liability under this section must  
14 be based upon a preponderance of evidence.

15 (7) An imposition of liability pursuant to this section  
16 shall not be deemed a conviction of an owner and shall not be  
17 made part of the motor vehicle operating record of the person  
18 upon whom the liability is imposed, nor shall it be  
19 considered in the provision of motor vehicle insurance  
20 coverage.

21 (8) An owner that admits, is found liable or fails to  
22 respond to the notice of violation for a violation of this  
23 section shall be civilly liable to the commission for all of  
24 the following:

25 (i) Either:

26 (A) the amount of the toll evaded or attempted  
27 to be evaded if the amount can be determined; or

28 (B) the maximum toll from the farthest point of  
29 entry on the Pennsylvania Turnpike to the actual  
30 point of exit if the amount of the toll evaded or

1 attempted to be evaded cannot be determined.

2 (ii) A reasonable administrative fee not to exceed  
3 \$35 per notification.

4 (9) Nothing in this section shall be construed to limit  
5 the liability of the operator of a vehicle for a violation of  
6 this section or of the regulations of the commission.

7 (c) Placement of electronic toll collection device.--An  
8 electronic toll collection device which is affixed to the front  
9 windshield of a vehicle in accordance with the regulations of  
10 the commission shall not be deemed to constitute a violation of  
11 75 Pa.C.S. § 4524 (relating to windshield obstructions and  
12 wipers).

13 (d) Privacy of electronic toll collection account holder  
14 information.--

15 (1) Except as set forth paragraph (2), notwithstanding  
16 any other provision of law, all of the following apply to  
17 information kept by the commission, its authorized agents or  
18 its employees which is related to the account of an  
19 electronic toll collection system account holder:

20 (i) The information shall be for the exclusive use  
21 of the commission, its authorized agents, its employees  
22 and law enforcement officials for the purpose of  
23 discharging their duties pursuant to this section and the  
24 regulations of the commission. This subparagraph includes  
25 names, addresses, account numbers, account balances,  
26 personal financial information, vehicle movement records  
27 and other information compiled from transactions with the  
28 account holders.

29 (ii) The information shall not be deemed a public  
30 record under the Right-to-Know Law, nor shall it be

1 discoverable by court order or otherwise or be offered in  
2 evidence in any action or proceeding which is not  
3 directly related to the discharge of duties under this  
4 section, the regulations of the commission or a violation  
5 of an account holder agreement.

6 (2) Paragraph (1) shall not be deemed to do any of the  
7 following:

8 (i) Preclude a court of competent jurisdiction from  
9 issuing an order directing that the information be  
10 provided to law enforcement officials if the information  
11 is reasonably described and is requested solely in  
12 connection with a criminal law enforcement action.

13 (ii) Preclude the exchange of the information  
14 between any entities with jurisdiction over or which  
15 operate an electronic toll collection system in this  
16 Commonwealth or any other jurisdiction.

17 (iii) Prohibit the use of the information  
18 exclusively for the purpose of billing electronic toll  
19 collection account holders, deducting toll charges from  
20 the account of an account holder, enforcing toll  
21 collection laws and related regulations or enforcing the  
22 provisions of an account holder agreement.

23 (e) Definition.--As used in this section, the term "owner"  
24 means any person, corporation, firm, partnership, agency,  
25 association, organization or lessor that, at the time a vehicle  
26 is operated in violation of this section or regulations of the  
27 commission:

- 28 (1) is the beneficial or equitable owner of the vehicle;  
29 (2) has title to the vehicle; or  
30 (3) is the registrant or coregistrant of the vehicle

1 registered with the department or a comparable agency of  
2 another jurisdiction or uses the vehicle in its vehicle  
3 renting or leasing business. The term includes a person  
4 entitled to the use and possession of a vehicle subject to a  
5 security interest in another person.

6 § 8118. Refunding bonds.

7 The commission is authorized to provide, by resolution, for  
8 the issuance of turnpike revenue refunding bonds for the purpose  
9 of refunding issued and outstanding turnpike revenue bonds,  
10 notes or other obligations. Applicable provisions of this  
11 chapter govern all of the following:

12 (1) Issuance of the turnpike revenue refunding bonds.

13 (2) Maturities and other details of the refunding bonds.

14 (3) Rights of the holders of the bonds.

15 (4) Duties of the Commonwealth and of the commission in  
16 respect to the bonds.

17 § 8119. Rights of obligation holders and trustees.

18 (a) Scope.--This section applies to all of the following:

19 (1) A holder of:

20 (i) a bond, note or other obligation issued under  
21 this chapter; or

22 (ii) a coupon attached to the bond, note or other  
23 obligation.

24 (2) The trustee under an applicable trust indenture.

25 (b) Enforcement.--Subject to subsection (c), a person  
26 referred to in subsection (a) may, by an action at law or in  
27 equity, do all of the following:

28 (1) Protect and enforce rights granted under this  
29 chapter or under the resolution or trust indenture.

30 (2) Enforce and compel performance of all duties

required by this chapter or by the resolution or trust indenture to be performed by the commission or an officer of the commission. This paragraph includes fixing, charging and collecting of tolls for the use of the turnpikes.

(c) Restriction.--Rights under this chapter may be restricted by resolution passed before the issuance of the bond, note or other obligation or by the trust indenture.

§ 8120. Authority granted to secretary.

(a) Agreement with Federal Government.--

(1) The secretary is authorized to enter into an agreement with the United States Department of Transportation, the Federal Highway Administration and any other Federal agency to obtain Federal funds for projects for resurfacing, restoring and rehabilitating toll roads in this Commonwealth. The commission is authorized to use Federal funds which may be available for toll roads only upon approval of the secretary and only under the authority granted under this section.

(2) (Reserved).

(b) Approval by department.--A copy of each contract and agreement relating to the construction of the turnpikes and connecting tunnels, bridges, slip interchanges and slip ramps shall be provided to the department for review and comment prior to execution of this contract or agreement.

§ 8121. (Reserved).

§ 8122. (Reserved).

§ 8123. Construction of chapter.

This chapter shall be regarded as supplemental and additional to powers conferred by other statutes and shall not be regarded as in derogation of any powers now existing and shall be

1 liberally construed to effect its purposes.

2 CHAPTER 82

3 TURNPIKE COMMISSION STANDARDS OF CONDUCT

4 § 8201. Scope.

5 This chapter shall apply to the Pennsylvania Turnpike  
6 Commission formed or maintained under authority of the act of  
7 May 21, 1937 (P.L.774, No.211), referred to as the Pennsylvania  
8 Turnpike Commission Act and the former act of September 30, 1985  
9 (P.L.240, No.61), known as the Turnpike Organization, Extension  
10 and Toll Road Conversion Act, or any successor entity.

11 § 8202. Definitions.

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

15 "Business." Any corporation, partnership, sole  
16 proprietorship, firm, enterprise, franchise, association,  
17 organization, self-employed individual, holding company, joint  
18 stock company, receivership, trust or any legal entity organized  
19 for profit.

20 "Commission." The Pennsylvania Turnpike Commission.

21 "Executive-level employee." The Chief Executive Officer,  
22 Chief Financial Officer, Chief Operating Officer, Chief Counsel  
23 or any other senior management employee with discretionary  
24 powers which may affect the outcome of a Pennsylvania Turnpike  
25 Commission action or decision or who functions in press or  
26 public relations, legislative liaison or development of  
27 executive policy.

28 "Facility." Rest areas, service plazas, restaurants, fueling  
29 stations, traffic advisory systems, call boxes or other services  
30 provided by the commission to persons using toll roads or

1 highways operated by the commission.

2 "Immediate family." A spouse, parent, brother, sister or  
3 child.

4 "Member." A commissioner appointed to the Pennsylvania  
5 Turnpike Commission, including the Secretary of Transportation,  
6 and any successor entity thereto.

7 "Ownership interest." Owning or holding, or being deemed to  
8 hold, debt or equity securities or other ownership interest or  
9 profit interest.

10 "Party officer." A member of a national committee of a  
11 political party; a chairman, vice chairman, secretary, treasurer  
12 or counsel of a State committee or member of the executive  
13 committee of a State committee of a political party; or a county  
14 chairman, vice chairman, counsel, secretary or treasurer of a  
15 county committee or a city chairman, vice chairman, counsel,  
16 secretary or treasurer of a city committee of a political party.

17 "Pennsylvania Turnpike Commission." An entity formed or  
18 maintained under authority of the act of May 21, 1937 (P.L.774,  
19 No.211), referred to as the Pennsylvania Turnpike Commission  
20 Act, and the act of September 30, 1985 (P.L.240, No.61), known  
21 as the Turnpike Organization, Extension and Toll Road Conversion  
22 Act, or any successor entity.

23 "Public official." Any official elected to a Federal, State  
24 or county office.

25 § 8203. Qualifications, restrictions and duties of commission  
26 members and employees.

27 (a) General rule.--The following qualifications and  
28 restrictions shall apply to members and executive-level  
29 employees:

30 (1) A member shall be at least 25 years of age and shall



1 have been a resident of this Commonwealth for a period of at  
2 least one year immediately preceding appointment. Each member  
3 shall continue to remain a resident of this Commonwealth  
4 during the term of membership on the commission.

5 (2) Except for the Secretary of Transportation, no  
6 member or executive-level employee shall be a public official  
7 or party officer in this Commonwealth.

8 (3) (i) No member or executive-level employee shall be  
9 paid or receive any fee or other compensation other than  
10 salary and expenses provided by law for any activity  
11 directly pertaining to the duties of the commission.

12 (ii) Nothing in this chapter shall be construed to  
13 prohibit a member or executive-level employee from  
14 engaging in any employment or vocation that is not  
15 incompatible with service as a member or executive-level  
16 employee.

17 (4) (i) At the time of appointment and annually  
18 thereafter, each member shall disclose the existence of  
19 all ownership interests in any facility or business with  
20 which the commission has contracted for roadway  
21 construction or maintenance or services of any kind.

22 (ii) The disclosure statement shall be filed with  
23 the chief executive officer of the commission and shall  
24 be open to inspection by the public at the office of the  
25 commission during normal business hours of the commission  
26 during the tenure of the member.

27 (b) Fiduciary relationship.--Each member and executive-level  
28 employee shall serve as a fiduciary of the commission.

29 § 8204. Code of conduct.

30 (a) Contents.--The commission shall adopt a comprehensive

code of conduct within 90 days of the effective date of this section. The code of conduct shall supplement all other requirements under this chapter and shall provide guidelines applicable to members and executive-level employees and the immediate families of the members and executive-level employees to enable them to avoid any perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of the commission. At a minimum, the code of conduct adopted under this section shall provide that:

(1) No member or executive-level employee may accept any discount, gift, gratuity, compensation, travel, lodging or other thing of value, in excess of the limits under 65 Pa.C.S. § 1105(b)(6) and (7) (relating to statement of financial interests) directly or indirectly, from any facility or business with which the commission has a contractual relationship.

(2) Members and executive-level employees shall refrain from any financial or business dealing which would affect the member's objectivity, impartiality or independence of judgment.

(3) (i) No member or executive-level employee may use the promise of business with the commission to solicit funds for any charitable, educational, religious, health, fraternal, civic or other nonprofit entity.

(ii) A member or executive-level employee may serve as an officer, employee or member of the governing body of a nonprofit entity and may attend, make personal contributions to and plan or preside over the entity's fundraising events.

(iii) A member or executive-level employee may

1 permit his name to appear on the letterhead used for  
2 fundraising events if the letterhead contains only the  
3 member's name and position with the nonprofit entity.

4 (4) No member or executive-level employee nor the  
5 immediate family of such person, shall participate in any  
6 deliberations or vote of the commission in which that person  
7 may have a direct or indirect pecuniary interest.

8 (5) (i) A member shall abstain from any vote or  
9 decision which authorizes a contract in which the member  
10 has any pecuniary interest. The member shall disclose the  
11 interest in a public meeting prior to the vote or  
12 decision.

13 (ii) Failure to comply with this paragraph shall  
14 make the contract null and void.

15 (6) No former member or executive-level employee may  
16 receive any pecuniary benefit from a contract between the  
17 commission and the employer of the former member or  
18 executive-level employee for a period of one year from the  
19 termination of employment or service with the commission. No  
20 former member or executive-level employee may solicit any  
21 contracts with the commission for a period of one year from  
22 the termination of employment or service with the commission.

23 (7) A member of the commission who has been convicted  
24 during his term in any domestic or foreign jurisdiction of a  
25 felony shall, upon conviction, be automatically removed from  
26 the commission and shall be ineligible to become a commission  
27 member in the future.

28 (8) No member may solicit, request, suggest or recommend  
29 the employment, by either the commission or a contractor with  
30 the commission, of any individual related within the first

1 degree of consanguinity to the member as set forth in 23  
2 Pa.C.S. § 1304(e) (relating to restrictions on issuance of  
3 license) or the spouse of the individual.

4 (b) Audit.--

5 (1) At least once every four years, the Department of  
6 the Auditor General shall review the performance, procedures,  
7 operating budget, capital budget and debt of the commission  
8 and shall audit the accounts of the commission.

9 (2) The Auditor General shall be entitled to go beyond  
10 mere financial statements, and shall be entitled to examine  
11 original source documents at such time as is believed  
12 necessary or may otherwise examine original documents on a  
13 random basis designed to ensure the integrity of the audit.

14 (3) The provisions of section 706(d) of the act of April  
15 9, 1929 (P.L.177, No.175), known as The Administrative Code  
16 of 1929, shall apply to any audit conducted under this  
17 subsection.

18 § 8205. Applicability of other statutes.

19 (a) General rule.--Notwithstanding any other provision of  
20 law, the following acts shall apply to the commission under this  
21 chapter:

22 (1) The act of June 21, 1957 (P.L.390, No.212), referred  
23 to as the Right-to-Know Law.

24 (2) The act of July 19, 1957 (P.L.1017, No.451), known  
25 as the State Adverse Interest Act.

26 (3) The provisions of 65 Pa.C.S. Chs. 7 (relating to  
27 open meetings) and 11 (relating to ethics standards and  
28 financial disclosure).

29 (b) Status of commission.--The commission shall be  
30 considered an "agency" for the purposes of the following:

(1) The act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(2) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.]

Section 5. Title 74 is amended by adding a chapter to read:

CHAPTER 84

PENNSYLVANIA TURNPIKE

Sec.

8401. Scope of chapter.

8402. Definitions.

8403. (Reserved).

8404. Status of turnpike revenue bonds, notes or other obligations.

8405. Pennsylvania Turnpike Commission membership, compensation and term of office.

8406. Exercise of commission powers deemed essential governmental function.

8407. Commission powers and duties enumerated; payment of maintenance.

8408. Expenses and bonding of commission members.

8409. Acquisition of property rights by commission.

8410. Procedural requirements of acquisition.

8411. Entry and possession of property condemned.

8412. Issuance of turnpike revenue bonds, notes or other obligations.

8413. Obligation proceeds restricted and lien created.

8414. Trust indenture authorized.

8415. Commission and obligations tax exempt.

8416. Collection and disposition of tolls and other revenue.

8416.1. Electronic toll collection.

1   8417.   Refunding bonds.

2   8418.   Rights of obligation holders and trustees.

3   8419.   Authority granted to Secretary of Transportation.

4   8420.   Construction of chapter.

5   § 8401.   Scope of chapter.

6       This chapter relates to turnpike organization, extension and  
7   toll road conversion.

8   § 8402.   Definitions.

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

12       "Commission."   The Pennsylvania Turnpike Commission created  
13   by the act of May 21, 1937 (P.L.774, No.211), referred to as the  
14   Pennsylvania Turnpike Commission Act, or, if the commission  
15   shall be abolished, any board, commission or officer succeeding  
16   to the principal functions thereof or upon whom the power and  
17   functions given by this chapter to the commission shall be given  
18   by law.

19       "Cost of the turnpikes."   The term includes the cost of  
20   constructing the turnpikes and all connecting roads, storm water  
21   management systems, tunnels and bridges; the cost of all lands,  
22   property rights, rights-of-way, easements and franchises  
23   acquired by purchase or other means, which are deemed necessary  
24   or convenient for such construction; the cost of all machinery  
25   and equipment, financing charges, interest prior to and during  
26   construction and for one year after completion of construction;  
27   the cost of traffic estimates and of engineering and legal  
28   expenses, plans, specifications, surveys, estimates of cost and  
29   of revenues, other expenses necessary or incident to determining  
30   the feasibility or practicability of the enterprise.

1 administrative and legal expense, and such other expenses as may  
2 be necessary or incident to the financing herein authorized; the  
3 construction of the turnpikes and connecting roads, storm water  
4 management systems, tunnels and bridges, the placing of the same  
5 in operation, and the condemnation or other means of acquisition  
6 of property necessary for the construction and operation. Any  
7 obligation or expense contracted for by the commission with the  
8 Department of Transportation, or with the United States or any  
9 agency thereof, for traffic surveys, preparation of plans and  
10 specifications, supervision of construction, and other  
11 engineering, administrative and legal services and expenses in  
12 connection with the construction of the turnpike or any of the  
13 connecting roads, storm water management systems, tunnels and  
14 bridges, and any costs of reimbursing the Federal Government  
15 pursuant to the mandates of the Federal law for Federal funds  
16 expended for interstate or other highways which are to be made  
17 part of the turnpike system pursuant to this chapter, shall be  
18 regarded as a part of the cost of the turnpikes and shall be  
19 reimbursed or paid out of the proceeds of the turnpike revenue  
20 bonds, notes or other obligations hereinafter authorized.  
21 Payment of any turnpike revenue bonds, notes or other  
22 obligations shall be considered payment of the cost of the  
23 turnpikes, provided the turnpike revenue bonds, notes or other  
24 obligations were issued for such purpose.

25 "Electronic toll collection." A system of collecting tolls  
26 or charges that is capable of charging an account holder for the  
27 prescribed toll by electronic transmission of information  
28 between a device on a vehicle and a device in a toll lane at a  
29 toll collection facility.

30 "Lessee." Any person, corporation, firm, partnership,

1 agency, association or organization that rents, leases or  
2 contracts for the use of a vehicle and has exclusive use of the  
3 vehicle for any period of time.

4 "Lessor." Any person, corporation, firm, partnership,  
5 agency, association or organization engaged in the business of  
6 renting or leasing vehicles to any lessee under a rental  
7 agreement, lease or other agreement under which the lessee has  
8 the exclusive use of the vehicle for any period of time.

9 "Operator." An individual that uses or operates a vehicle  
10 with or without the permission of the owner.

11 "Owner." Except as provided in section 8416.1(e) (relating  
12 to electronic toll collection), an individual, copartnership,  
13 association or corporation having any title or interest in any  
14 property rights, easements or franchises authorized to be  
15 acquired by this chapter.

16 "The turnpikes." The turnpike, turnpike extensions and  
17 turnpike improvements to be constructed, and the toll-free roads  
18 to be converted to toll roads, as provided for in this chapter.  
19 The phrase shall be deemed to include not only the turnpikes and  
20 all connecting roads, storm water management systems, tunnels  
21 and bridges connected therewith, but also all property rights,  
22 easements and franchises relating thereto and deemed necessary  
23 or convenient for the construction or the operation thereof,  
24 which may also be referred to as constituting a part of the  
25 Pennsylvania Turnpike System.

26 "Toll road conversion." The inclusion within the turnpike  
27 system and the imposition of tolls thereon of a highway that is  
28 presently toll free.

29 "Vehicle." As defined in 75 Pa.C.S. § 102 (relating to  
30 definitions).



1 "Violation enforcement system." A vehicle sensor, placed in  
2 a location to work in conjunction with a toll collection  
3 facility, which automatically produces a videotape or  
4 photograph, microphotograph or other recorded image of the rear  
5 portion of each vehicle at the time the vehicle is used or  
6 operated in violation of the toll collection regulations. The  
7 term includes any other technology which identifies a vehicle by  
8 photographic, electronic or other method.

9 § 8403. (Reserved).

10 § 8404. Status of turnpike revenue bonds, notes or other  
11 obligations.

12 The turnpike revenue bonds, notes or other obligations issued  
13 under the provisions of this chapter shall not be deemed to be a  
14 debt of the Commonwealth or a pledge of the faith and credit of  
15 the Commonwealth, but such bonds, notes or other obligations  
16 shall be payable solely from the revenues of the commission,  
17 including tolls, or from such funds as may be available to the  
18 commission for that purpose. All such bonds, notes or other  
19 obligations shall contain a statement on their face that the  
20 Commonwealth is not obligated to pay the same or the interest  
21 thereon except from revenues of the commission, including tolls,  
22 or from such funds as may be available to the commission for  
23 that purpose and that the faith and credit of the Commonwealth  
24 is not pledged to the payment of the principal or interest of  
25 such bonds, notes or other obligations. The issuance of turnpike  
26 revenue bonds, notes or other obligations under the provisions  
27 of this chapter shall not directly or indirectly or contingently  
28 obligate the Commonwealth to levy or to pledge any form of  
29 taxation whatever therefor or to make any appropriation for  
30 their payment.

1 § 8405. Pennsylvania Turnpike Commission membership,

2 compensation and term of office.

3 (a) Appointments prior to June 4, 1987.--Notwithstanding any  
4 other law to the contrary, vacancies in the membership of the  
5 commission existing after September 29, 1985, and before June 5,  
6 1987, shall be filled as provided in paragraph (1) or (2),  
7 whichever is applicable:

8 (1) (i) Any vacancy which:

9 (A) has occurred prior to September 30, 1985,  
10 because of the expiration of the term of a member,  
11 and as to which vacancy either:

12 (I) the member continues to serve pending  
13 the appointment and qualification of his  
14 successor; or

15 (II) the member, having held over, departs  
16 the commission after September 17, 1985, but  
17 prior to the appointment of a successor; or

18 (B) occurs after September 30, 1985, for a  
19 reason other than the expiration of the term of a  
20 member; or

21 (C) has occurred between September 17, 1985, and  
22 the September 30, 1985, for a reason other than the  
23 expiration of the term of a member;

24 shall be filled by appointment of the Governor by and  
25 with the advice and consent of two-thirds of the members  
26 elected to the Senate.

27 (ii) A member whose term has expired prior to  
28 September 30, 1985, or after September 30, 1985, but  
29 prior to June 4, 1987, shall continue to hold office  
30 until his successor is appointed and qualified, or for 90

1 days following June 4, 1987, whichever period is shorter.

2 (iii) Members appointed under the provisions of this  
3 paragraph shall serve for a term of four years. Upon the  
4 expiration of that term, such appointed member may  
5 continue to hold office for 90 days or until his  
6 successor shall be duly appointed and qualified,  
7 whichever period is shorter, but shall not continue to  
8 hold office thereafter unless reappointed in accordance  
9 with law.

10 (2) (i) Any other vacancy not described in paragraph  
11 (1) shall be filled by appointment of the Governor  
12 without the advice and consent of the Senate. Any member  
13 appointed in this manner shall serve for a term ending  
14 June 4, 1987.

15 (ii) Upon the expiration of his term, an appointed  
16 member may continue to hold office for 90 days or until  
17 his successor shall be duly appointed and qualified,  
18 whichever period is shorter, but shall not continue to  
19 hold office thereafter unless reappointed in accordance  
20 with the provisions of subsection (b).

21 (iii) Any vacancy occurring with respect to the  
22 office of a member appointed pursuant to this paragraph  
23 shall be filled as provided by this paragraph.

24 (b) Appointment after June 4, 1987.--Notwithstanding any  
25 other law to the contrary, after June 4, 1987, any vacancy in  
26 the membership of the commission shall be filled by appointment  
27 of the Governor by and with the advice and consent of two-thirds  
28 of the members elected to the Senate. Such appointed member  
29 shall serve for a term of four years. Upon the expiration of  
30 this term, an appointed member may continue to hold office for

90 days or until his successor shall be duly appointed and qualified, whichever period is shorter, but shall not continue to hold office thereafter unless reappointed in accordance with law.

(c) Appointment of additional temporary member.--

Notwithstanding any other law to the contrary, the Governor shall appoint, without the advice and consent of the Senate, one additional member to serve on the commission. The term of the temporary additional member shall expire on June 4, 1987, and an appointment to replace such member shall not be made to the commission on or after June 5, 1987. Any vacancy occurring with respect to the office of the temporary additional member prior to June 4, 1987, shall be filled as provided by this subsection. The additional temporary member shall not continue to hold office in any capacity after June 4, 1987.

(d) Secretary of Transportation.--The provisions of subsections (a) and (b) of this section shall not apply to the appointment of the Secretary of Transportation who shall continue to be appointed and to serve as a member of the commission ex officio in accordance with law.

(e) Chairman.--After September 29, 1985, and before June 5, 1987, the Governor shall appoint from among the members of the commission a member to serve as chairman of the commission for a term extending until June 4, 1987. On and after June 5, 1987, a majority of the members of the commission shall elect a member of the commission to serve as chairman. On or after June 5, 1987, upon the appointment and qualification of any new member to serve on the commission, the office of chairman, and the positions of all other officers created by law, shall be deemed vacant and a new chairman and other officers shall be elected by

1 a majority of the members of the commission.

2 (f) Actions by the commission.--Notwithstanding any other  
3 law, court decision, precedent or practice to the contrary, any  
4 and all actions by or on behalf of the commission shall be taken  
5 solely upon the approval of a majority of the members to the  
6 commission. After September 29, 1985, and before June 5, 1987,  
7 "a majority of the members of the commission" shall mean four  
8 members of the commission. Thereafter, a majority of the members  
9 of the commission shall mean three members of the commission.  
10 The term "actions by or on behalf of the commission" means any  
11 action whatsoever of the commission, including, but not limited  
12 to, the hiring, appointment, removal, transfer, promotion or  
13 demotion of any officers and employees; the retention, use or  
14 remuneration of any advisors, counsel, auditors, architects,  
15 engineers or consultants; the initiation of any legal action;  
16 the making of any contracts, leases, agreements, bonds, notes or  
17 covenants; the approval of requisitions, purchase orders,  
18 investments and reinvestments; and the adoption, amendment,  
19 revision or rescission of any rules and regulations, orders or  
20 other directives. The chairman, vice chairman or any other  
21 officer or employee of the commission may take no action by or  
22 on behalf of the commission except as expressly authorized by a  
23 majority of the members of the commission.

24 (g) Compensation.--The annual salary of the Chairman of the  
25 Pennsylvania Turnpike Commission shall be \$28,500, and the  
26 annual salary of the remaining members of the Pennsylvania  
27 Turnpike Commission shall be \$26,000. These salaries shall be  
28 paid in equal installments every other week.

29 § 8406. Exercise of commission powers deemed essential  
30 governmental function.

1     The exercise by the commission of the powers conferred by  
2     this chapter in the construction, operation and maintenance of  
3     the turnpikes and in effecting toll road conversions shall be  
4     deemed and held to be an essential governmental function of the  
5     Commonwealth.

6     § 8407. Commission powers and duties enumerated; payment of  
7             maintenance.

8     (a) Powers and duties of commission.--The commission is  
9     authorized to:

10            (1) Maintain a principal office at such place as shall  
11            be designated by the commission.

12            (2) Contract and be contracted within its own name.

13            (3) Sue and be sued in its own name, plead and be  
14            impleaded. Any and all actions at law or in equity against  
15            the commission shall be brought only in the courts in which  
16            such actions may be brought against the Commonwealth.

17            (4) Have an official seal.

18            (5) Make necessary rules and regulations for its own  
19            government and in control of traffic.

20            (6) Acquire, hold, accept, own, use, hire, lease,  
21            exchange, operate and dispose of personal property, real  
22            property and interests in real property, and to make and  
23            enter into all contracts and agreements necessary or  
24            incidental to the performance of its duties and the execution  
25            of its powers under this chapter, and to employ engineering,  
26            traffic, architectural and construction experts and  
27            inspectors, attorneys and other employees as may in its  
28            judgment be necessary, and fix their compensation.

29            (7) Provide grade separations, at its own expense, with  
30            respect to all public roads, State highways and interstate

1 highways intersected by the turnpikes and to change and  
2 adjust the lines and grades thereof so as to accommodate the  
3 same to the design for such grade separation. The damages  
4 incurred in changing and adjusting the lines and grades of  
5 public roads, State highways and interstate highways shall be  
6 ascertained and paid by the commission in accordance with 26  
7 Pa.C.S. (relating to eminent domain). If the commission shall  
8 find it necessary to provide a grade separation or change the  
9 site of any portion of any interstate highway, State highway  
10 or public road or vacate the same, it shall cause it to be  
11 reconstructed and restored forthwith, at the commission's own  
12 proper expense, on the most favorable location and in as  
13 satisfactory a manner as the original road, or vacate it, as  
14 the case may be. The method of acquiring the right-of-way and  
15 determining damages incurred in changing the location of or  
16 vacating such road, State highway or interstate highway shall  
17 be ascertained and paid for in accordance with 26 Pa.C.S.  
18 (relating to eminent domain).

19 (8) Petition the court of common pleas of the county  
20 wherein is situate any public road or part thereof affected  
21 by the location therein of the turnpikes, for the vacation,  
22 relocation or supply of the same, or any part thereof, with  
23 the same force and effect as is now given by existing laws to  
24 the inhabitants of any township or such county, and the  
25 proceedings upon such petition, whether it be for the  
26 appointment of viewers or otherwise, shall be the same as  
27 provided by existing law for similar proceedings upon the  
28 petitions.

29 (9) Have all of the powers and perform all the duties  
30 prescribed by the act of May 21, 1937 (P.L.774, No.211),

1 referred to as the Pennsylvania Turnpike Commission Act.

2 (b) Maintenance to be paid out of tolls.--The turnpike  
3 extensions and improvements and the conversion of toll-free  
4 roads to toll roads when completed and open to traffic shall be  
5 maintained and repaired by and under the control of the  
6 commission. All charges and costs for the maintenance and  
7 repairs actually expended by the commission shall be paid out of  
8 tolls. The turnpike, the turnpike extensions and improvements  
9 and the toll-free roads converted to toll roads shall also be  
10 policed and operated by a force of police, toll takers and other  
11 operating employees as the commission may, in its discretion,  
12 employ.

13 § 8408. Expenses and bonding of commission members.

14 (a) Payment of expenses.--All compensation and salaries and  
15 all expenses incurred in carrying out the provisions of this  
16 chapter shall be paid solely from funds provided under the  
17 authority of this chapter, and no liability or obligation shall  
18 be incurred under this chapter beyond the extent to which money  
19 shall have been provided under the authority of this chapter.

20 (b) No additional bond required.--The issuance of any  
21 turnpike revenue bonds, notes or other obligations under the  
22 provisions of this chapter shall not cause any member of the  
23 commission to be required to execute a bond that a member of the  
24 commission is not otherwise required to execute.

25 § 8409. Acquisition of property rights by commission.

26 (a) Condemnation.--The commission is hereby authorized and  
27 empowered to condemn, pursuant to the provisions of 26 Pa.C.S.  
28 (relating to eminent domain), any lands, interests in lands,  
29 property rights, rights-of-way, franchises, easements and other  
30 property deemed necessary or convenient for the construction and



efficient operation of the turnpikes and the toll road conversions or necessary in the restoration or relocation of public or private property damaged or destroyed.

(b) Purchase.--The commission is hereby authorized and empowered to acquire by purchase, whenever it shall deem such purchase expedient, or otherwise accept if dedicated to it, any lands, interests in lands, property rights, rights-of-way, franchises, easements and other property deemed necessary or convenient for the construction and efficient operation of the turnpikes and toll road conversions or necessary in the restoration of public or private property damaged or destroyed, whether the same had theretofore been condemned or otherwise, upon such terms and at such price as may be considered by it to be reasonable and can be agreed upon between the commission and the owner thereof, and to take title thereto in the name of the commission. The net proceeds of the purchase price payable to a municipality or the Department of Transportation for any real property or interest therein obtained by the commission pursuant to this chapter, less the cost of retiring any bonded indebtedness on such property or interest, shall be used exclusively, in the case of a municipality, for road and bridge-related expenses and, in the case of the Department of Transportation, for highway and bridge construction, reconstruction and maintenance in the same engineering and maintenance district wherein the subject property is located.

§ 8410. Procedural requirements of acquisition.

(a) Title.--Title to any property condemned by the commission shall be taken in the name of the commission.

(b) Entry.--In addition to the foregoing powers, the commission and its authorized agents and employees may enter

upon any lands, waters and premises in this Commonwealth for the purpose of making surveys, soundings, drillings and examinations, as it may deem necessary or convenient for the purpose of this chapter, and the entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings which may be then pending. The commission shall make reimbursement for any actual damages resulting to the lands, waters and premises as a result of the activities.

(c) Restoration of property.--All public or private property damaged or destroyed in carrying out the powers granted by this chapter shall be restored or repaired and placed in their original condition as nearly as practicable or adequate compensation made therefor out of funds provided under the authority of this chapter.

(d) Powers of public bodies.--All political subdivisions and all public agencies and commissions of the Commonwealth, notwithstanding any contrary provision of law, are hereby authorized and empowered to lease, lend, dedicate, grant, convey or otherwise transfer to the commission, upon its request, upon such terms and conditions as the proper authorities of such political subdivisions or public agencies and commissions of the Commonwealth may deem reasonable and fair and without the necessity for any advertisement, order of court or other action or formality, other than the regular and formal action of the authorities concerned, any real property which may be necessary or convenient to the effectuation of the authorized purposes of the commission, including public roads and other real property already devoted to public use.

§ 8411. Entry and possession of property condemned.

1 Whenever the commission has condemned any lands, rights,  
2 rights-of-way, easements and franchises, or interests therein,  
3 as provided in this chapter, the commission may proceed to  
4 obtain possession in the manner provided by 26 Pa.C.S. (relating  
5 to eminent domain).

6 § 8412. Issuance of turnpike revenue bonds, notes or other  
7 obligations.

8 (a) Issuance of bonds.--The commission is hereby authorized  
9 to provide, by resolution, at one time or from time to time, for  
10 the issuance of turnpike revenue bonds, notes or other  
11 obligations of the commission for the purpose of paying the cost  
12 of the turnpikes, including the reconstruction of the converted  
13 roads as provided for in this chapter and the repayment to the  
14 Federal Treasury of any funds so required to be repaid pursuant  
15 to any special legislation passed by the Congress of the United  
16 States authorizing the conversion of toll-free roads to toll  
17 roads. The principal and interest of the bonds, notes or other  
18 obligations shall be payable solely from revenues of the  
19 commission, including tolls collected on the various turnpike  
20 extensions, improvements and toll road conversions authorized by  
21 this chapter and those tolls collected on the Pennsylvania  
22 Turnpike System, subject to the terms of any trust indenture  
23 heretofore entered into by the commission and any existing bond  
24 resolution of the commission or from such funds as may be  
25 available to the commission for that purpose. The bonds, notes  
26 or other obligations shall be dated, shall bear interest at such  
27 rate or rates acceptable to the commission, shall mature at such  
28 time or times not exceeding 40 years from their date or dates,  
29 as may be determined by the commission, and may be made  
30 redeemable before maturity, at the option of the commission, at

1 such price or prices and under such terms and conditions as may  
2 be fixed by the commission prior to the issuance of the bonds,  
3 notes or other obligations. The principal and interest of such  
4 bonds, notes or other obligations may be made payable in any  
5 lawful medium. The commission shall determine the form of bonds,  
6 notes or other obligations, including any interest coupons to be  
7 attached thereto, and shall fix the denomination or  
8 denominations of the bonds, notes or other obligations, and the  
9 place or places of payment of principal and interest thereof,  
10 which may be at any bank or trust company within or without the  
11 Commonwealth. The bonds, notes or other obligations shall be  
12 approved by and shall bear the facsimile signatures of the  
13 Governor and of the chairman of the commission, and the  
14 facsimile of the official seal of the commission shall be  
15 affixed thereto, and attested by the secretary and treasurer of  
16 the commission, and any coupons attached thereto shall bear the  
17 facsimile signature of the chairman of the commission. In case  
18 any officer whose signature or a facsimile of whose signature  
19 shall appear on any bonds, notes or other obligations or coupons  
20 shall cease to be such officer before the delivery of such  
21 bonds, notes or other obligations, such signature or such  
22 facsimile shall nevertheless be valid and sufficient for all  
23 purposes, the same as if he had remained in office until such  
24 delivery.

25 (b) Form of bonds.--The bonds, notes or other obligations  
26 authorized under this section may be issued in bearer or  
27 registered form, with or without coupons attached as the  
28 commission may determine, and provision may be made for the  
29 registration of any coupon bonds as to principal alone and also  
30 as to both principal and interest, and registered and coupon

bonds, notes or other obligations may be made interchangeable.  
The commission may sell such bonds, notes or other obligations  
in such manner and for such price as it may determine to be for  
the best interest of the Commonwealth.

(c) Use of bond proceeds.--The proceeds of such bonds, notes  
or other obligations shall be used for the payment of the cost  
of the turnpikes and the toll road conversions, including the  
reconstruction of the converted roads as provided for in this  
chapter and the repayment to the Federal Treasury of any funds  
so required to be repaid pursuant to any special legislation  
passed by the Congress of the United States authorizing the  
conversion of toll-free roads to toll roads, and shall be  
disbursed upon requisition of the chairman of the commission  
under such restrictions, if any, as the resolution authorizing  
the issuance of the bonds, notes or other obligations, or any  
trust indenture or other agreement entered into by the  
commission, may provide. If the proceeds of the bonds, notes or  
other obligations shall exceed the cost of the turnpikes and the  
toll road conversions, including the reconstruction of the  
converted roads as provided for in this chapter and the  
repayment to the Federal Treasury of any funds so required to be  
repaid pursuant to any special legislation passed by the  
Congress of the United States authorizing the conversion of  
toll-free roads to toll roads, such excess proceeds shall be set  
aside and applied to the payment of the principal and the  
interest of such bonds, notes or other obligations as are issued  
pursuant to this chapter. Prior to the preparation of definitive  
bonds, notes or other obligations, the commission may, under  
like restrictions, issue temporary bonds, notes or other  
obligations with or without coupons, exchangeable for definitive

bonds, notes or other obligations upon the issuance of the  
latter. The commission may also provide for the replacement of  
any bond, note or other obligation which shall become mutilated  
or be destroyed or lost. Such turnpike revenue bonds, notes or  
other obligations may be issued without any other proceedings or  
the happening of any other conditions or things than those  
proceedings, conditions and things which are specified and  
required by this chapter.

(d) Power to borrow.--The commission is hereby authorized to  
borrow money, from time to time, to provide for preliminary or  
interim financing up to, but not exceeding, the estimated total  
cost of the turnpikes and the toll road conversions, including  
the reconstruction of said converted roads as provided for in  
this chapter and the repayment to the Federal Treasury of any  
funds so required to be repaid pursuant to any special  
legislation passed by the Congress of the United States  
authorizing the conversion of toll-free roads to toll roads, and  
to evidence such borrowing by the issuance of turnpike notes or  
other obligations of the commission and, in its discretion, to  
pledge as collateral for such notes or other obligations,  
turnpike revenue bonds, notes or other obligations issued under  
the provisions of this chapter, and to renew any such notes or  
other obligations, from time to time, and the payment or  
retirement of such notes or other obligations shall be  
considered to be payment of the cost of the projects authorized  
by this chapter.

(e) Bonds as securities.--The bonds, notes or other  
obligations authorized under this section are hereby made  
securities in which all State and municipal officers and  
administrative departments, boards and commissions of the

1 Commonwealth; all banks, bankers, savings banks, trust  
2 companies, saving and loan associations, investment companies  
3 and other persons carrying on a banking business; all insurance  
4 companies, insurance associations and other persons carrying on  
5 an insurance business; and all administrators, executors,  
6 guardians, trustees and other fiduciaries; and all other persons  
7 whatsoever who now or may hereafter be authorized to invest in  
8 bonds or other obligations of the Commonwealth, may properly and  
9 legally invest any funds, including capital, belonging to them  
10 or within their control, and the bonds, notes or other  
11 obligations are hereby made securities which may properly and  
12 legally be deposited with and received by any State or municipal  
13 officer or agency of the Commonwealth, for any purpose for which  
14 the deposit of bonds, notes or other obligations of the  
15 Commonwealth is now or may hereafter be authorized by law.

16 (f) Negotiable instruments.--All such bonds, notes or other  
17 obligations authorized herein shall have and are hereby declared  
18 to have all the qualities and incidents of negotiable  
19 instruments under the laws of this Commonwealth.

20 § 8413. Obligation proceeds restricted and lien created.

21 All money received from any bonds, notes or other obligations  
22 issued pursuant to this chapter shall be applied solely to the  
23 payment of the cost of the turnpike, the turnpike extensions and  
24 improvements and the toll road conversions, including the  
25 reconstruction of said converted roads as provided for in this  
26 chapter and the repayment to the Federal Treasury of any funds  
27 so required to be repaid pursuant to any special legislation  
28 passed by the Congress of the United States authorizing the  
29 conversion of toll-free roads to toll roads or to the  
30 appurtenant fund, and there is created and granted a lien upon

1 such money, until so applied, in favor of holders of such bonds,  
2 notes or other obligations or the trustee hereinafter provided  
3 for in respect of such bonds, notes or other obligations.

4 § 8414. Trust indenture authorized.

5 (a) Security for bonds.--In the discretion of the  
6 commission, such bonds, notes or other obligations may be  
7 secured by a trust indenture by and between the commission and a  
8 corporate trustee, which may be any trust company or bank having  
9 the powers of a trust company, within this Commonwealth. Such  
10 trust indenture may pledge or assign tolls and revenue to be  
11 received but shall not convey or mortgage the Pennsylvania  
12 Turnpike System, including the turnpikes and toll road  
13 conversions provided for by this chapter or any part thereof.

14 (b) Rights of bondholders.--Either the resolution providing  
15 for the issuance of such bonds, notes or other obligations or  
16 such trust indenture may contain such provisions for protecting  
17 and enforcing the rights and remedies of the bondholders or  
18 holders of notes or other obligations as may be reasonable and  
19 proper and not in violation of law, including covenants setting  
20 forth the duties of the commission in relation to the  
21 acquisition of properties and the construction, maintenance,  
22 operation and repair, and insurance of, the turnpikes, and the  
23 custody, safeguarding and application of all money. It shall be  
24 lawful for any bank or trust company incorporated under the laws  
25 of this Commonwealth to act as a depository of the proceeds of  
26 bonds, notes or other obligations or revenues and to furnish  
27 such indemnity bonds or to pledge such securities as may be  
28 required by the commission. The trust indenture may set forth  
29 the rights and remedies of the bondholders or holders of notes  
30 or other obligations and of the trustee and may restrict the



individual right of action of bondholders or holders of notes or other obligations as is customary in trust indentures securing bonds, debentures of corporations, notes or other obligations. In addition to the foregoing, the trust indenture may contain such other provisions as the commission may deem reasonable and proper for the security of bondholders or holders of notes or other obligations. All expenses incurred in carrying out the trust indenture may be treated as part of the cost of maintenance, operation and repair of the turnpikes and toll road conversions provided for by this chapter.

§ 8415. Commission and obligations tax exempt.

The accomplishment by the commission of the authorized purposes stated in this chapter being for the benefit of the people of the Commonwealth and for the improvement of their commerce and prosperity, in which accomplishment the commission will be performing essential governmental functions, the commission shall not be required to pay any taxes or assessments on any property acquired or used by it for the purposes provided in this chapter, and the bonds, notes or other obligations issued by the commission, their transfer and the income therefrom, including any profits made on the sale thereof, shall at all times be free from taxation within this Commonwealth.

§ 8416. Collection and disposition of tolls and other revenue.

(a) Establishment and changes in toll amounts.--Subject to the terms of any trust indenture entered into by the commission and any resolution authorizing the issuance of any bonds, notes or other obligations of the commission, the commission is hereby authorized to fix, and to revise, from time to time, tolls for the use of the Pennsylvania Turnpike System and the different parts or sections thereof, including the turnpike, the turnpike

extensions and improvements and the toll road conversions  
authorized by this chapter, and to charge and collect the same,  
and to contract with any person, partnership, association or  
corporation desiring the use of any part thereof, including the  
right-of-way adjoining the paved portion, for placing thereon  
telephone, telegraph, electric light or power lines, gas  
stations, garages, stores, hotels, restaurants and advertising  
signs, or for any other purpose, except for tracks for railroad  
or railway use, and to fix the terms, conditions, rents and  
rates of charges for such use. Tolls shall be so fixed and  
adjusted as to provide funds at least sufficient with other  
revenues of the Pennsylvania Turnpike System, if any, to pay:

(1) the cost of constructing, maintaining, repairing and  
operating the Pennsylvania Turnpike System and the different  
parts and sections thereof; and

(2) any bonds, notes or other obligations and the  
interest thereon of the commission, and all sinking fund  
requirements of the commission, and other requirements  
provided for by any resolution authorizing the issuance of  
the bonds, notes or other obligations by the commission, or  
by any trust indenture to which the commission is a party, as  
the same shall become due.

(b) Restrictions on toll revenue.--Tolls shall not be  
subject to supervision or regulation by any other State  
commission, board, bureau or agency. Subject to the terms of any  
presently existing trust indenture entered into by the  
commission and any presently existing resolution authorizing the  
issuance of any bonds, notes or other obligations of the  
commission, the tolls and all other revenue derived from the  
Pennsylvania Turnpike System shall be set aside and pledged as

1 may be provided in any resolutions, trust indentures or any  
2 other agreements that the commission may hereafter adopt or  
3 hereafter enter into with respect to the issuance of bonds,  
4 notes or other obligations of the commission.

5 § 8416.1. Electronic toll collection.

6 (a) Liability of owner.--

7 (1) Notwithstanding any other provision of law, if an  
8 operator of a vehicle fails to pay the prescribed toll at any  
9 location where tolls are collected by means of electronic  
10 toll collection, the owner of the vehicle shall be liable to  
11 the commission for failure of the operator of the vehicle to  
12 comply with this section where the violation is evidenced by  
13 information obtained from a violation enforcement system.

14 (2) If a violation of this section is committed, the  
15 registration plate number of the vehicle as recorded by a  
16 violation enforcement system shall establish an inference  
17 that the owner of the vehicle was then operating the vehicle.  
18 The inference shall be overcome if the owner does all of the  
19 following:

20 (i) Testifies that the owner was not operating the  
21 vehicle at the time of the violation.

22 (ii) Submits to an examination as to who at the time  
23 was operating the vehicle.

24 (iii) Reveals the name and residence address, if  
25 known, of the operator of the vehicle.

26 (3) If an action or proceeding is commenced in a county  
27 other than that of the residence of the owner, a verified  
28 written statement setting forth the facts prescribed in  
29 paragraph (2)(i) through (iii) shall suffice to overcome the  
30 inference.

1       (4) If the inference is overcome, the operator of the  
2       vehicle may be held liable under this section for failure to  
3       pay the prescribed toll in the same manner as if the operator  
4       were the owner of the vehicle.

5       (b) Imposition of liability.--The liability set forth in  
6       subsection (a) shall be imposed upon an owner for a violation of  
7       this section or the regulations of the commission occurring  
8       within the territorial limits of this Commonwealth. If a  
9       violation is committed as evidenced by a violation enforcement  
10      system, the following shall apply:

11       (1) The commission or an authorized agent or employee  
12      must prepare and mail a notice of violation:

13       (i) The notice of violation must be sent by first  
14       class mail to each person alleged to be liable as an  
15       owner for a violation of this section. The notice must be  
16       mailed to the owner at the address shown on the vehicle  
17       registration no later than 60 days after the alleged  
18       conduct, except that if the inference of operation is  
19       overcome as prescribed in subsection (a), the notice must  
20       be mailed to the alleged operator of the vehicle no later  
21       than 60 days after the date the inference is overcome.  
22       Personal service shall not be required. A manual or  
23       automatic record of mailing prepared in the ordinary  
24       course of business shall be prima facie evidence of the  
25       mailing of notice.

26       (ii) The notice must contain information advising  
27       the person charged of the manner and time in which the  
28       liability alleged in the notice may be contested. The  
29       notice must also contain a warning advising the person  
30       charged that failure to contest in the manner and time

1       provided shall be deemed an admission of liability and  
2       that a default judgment may be entered on the notice.

3       (2) If an owner of a vehicle or an owner who is a lessor  
4       of a vehicle receives a notice of violation under this  
5       section for any time period during which the vehicle was  
6       reported to a police department as having been stolen, it  
7       shall be a defense to the allegation of liability that the  
8       vehicle had been reported to the police as having been stolen  
9       prior to the time the violation occurred and that the vehicle  
10       had not been recovered by the time of the violation. For  
11       purposes of asserting the defense provided by this  
12       subsection, it shall be sufficient that a certified copy of  
13       the police report on the stolen vehicle be sent by first  
14       class mail to the commission within 30 days after receiving  
15       the original notice of violation. Failure to send the  
16       information within the 30-day time limit shall render the  
17       owner or lessor liable for the penalty prescribed by this  
18       section.

19       (3) An owner who is a lessor of a vehicle as to which a  
20       notice of violation was issued under paragraph (1) shall not  
21       be liable for a violation if the owner sends to the  
22       commission a copy of the rental, lease or other such contract  
23       document covering the vehicle on the date of the violation,  
24       with the name and address of the lessee clearly legible to  
25       the commission, within 30 days after receiving the original  
26       notice of violation. Failure to send such information within  
27       the 30-day time limit shall render the lessor liable for the  
28       penalty prescribed by this section. If the lessor complies  
29       with the provisions of this section, the lessee of the  
30       vehicle on the date of the violation shall be deemed to be

1 the owner of the vehicle for purposes of this section and  
2 shall be subject to liability for the penalty prescribed by  
3 this subsection.

4 (4) A certified report or a facsimile report of an  
5 authorized agent or employee of the commission reporting a  
6 violation of this section or regulations of the commission  
7 based upon the recorded information obtained from a violation  
8 enforcement system shall be prima facie evidence of the facts  
9 contained in the report and shall be admissible as an  
10 official record kept in the ordinary course of business in  
11 any proceeding charging a violation of this section or the  
12 toll collection regulations of the commission.

13 (5) Notwithstanding any other provision of law, all  
14 videotapes, photographs, microphotographs, other recorded  
15 images, written records, reports or facsimiles prepared  
16 pursuant to this section shall be for the exclusive use of  
17 the commission, its authorized agents, its employees and law  
18 enforcement officials for the purpose of discharging duties  
19 pursuant to this section and the regulations of the  
20 commission. The information shall not be deemed a public  
21 record under the act of June 21, 1957 (P.L.390, No.212),  
22 referred to as the Right-to-Know Law. The information shall  
23 not be discoverable by court order or otherwise, nor shall it  
24 be offered in evidence in any action or proceeding which is  
25 not directly related to a violation of this section, the  
26 regulations of the commission or indemnification for  
27 liability imposed pursuant to this section. The restrictions  
28 set forth in this paragraph shall not be deemed to preclude a  
29 court of competent jurisdiction from issuing an order  
30 directing that the information be provided to law enforcement

1 officials if the information is reasonably described and is  
2 requested solely in connection with a criminal law  
3 enforcement action. The restrictions set forth in this  
4 paragraph shall not be deemed to preclude the exchange of  
5 such information between any entities with jurisdiction over  
6 or which operate an electronic toll collection system in this  
7 Commonwealth or any other jurisdiction, nor shall it be  
8 deemed to prohibit the use of information exclusively for the  
9 purpose of billing electronic toll collection account  
10 holders, deducting toll charges from the account of an  
11 account holder, enforcing toll collection laws and related  
12 regulations or enforcing the provisions of an account holder  
13 agreement.

14 (6) An imposition of liability under this section must  
15 be based upon a preponderance of evidence. An imposition of  
16 liability pursuant to this section shall not be deemed a  
17 conviction of an owner and shall not be made part of the  
18 motor vehicle operating record of the person upon whom such  
19 liability is imposed, nor shall it be considered in the  
20 provision of motor vehicle insurance coverage.

21 (7) An owner who shall admit, be found liable or fail to  
22 respond to the notice of violation for a violation of this  
23 section shall be civilly liable to the commission for the  
24 amount of the toll evaded or attempted to be evaded, if such  
25 amount can be determined, and a reasonable administrative fee  
26 not to exceed \$35 per notification. If the amount of the toll  
27 evaded or attempted to be evaded cannot be determined, that  
28 amount shall be deemed to be equal to the maximum toll from  
29 the farthest point of entry on the Pennsylvania Turnpike to  
30 the actual point of exit.

1       (8) Nothing in this section shall be construed to limit  
2       the liability of the operator of a vehicle for any violation  
3       of this section or of the regulations of the commission.

4       (c) Placement of electronic toll collection device.--An  
5       electronic toll collection device which is affixed to the front  
6       windshield of a vehicle in accordance with the regulations of  
7       the commission shall not be deemed to constitute a violation of  
8       75 Pa.C.S. § 4524 (relating to windshield obstructions and  
9       wipers).

10       (d) Privacy of electronic toll collection account holder  
11       information.--Notwithstanding any other provision of law, all  
12       information kept by the commission, its authorized agents or its  
13       employees which is related to the account of an electronic toll  
14       collection system account holder shall be for the exclusive use  
15       of the commission, its authorized agents, its employees and law  
16       enforcement officials for the purpose of discharging their  
17       duties pursuant to this section and the regulations of the  
18       commission. This information includes names, addresses, account  
19       numbers, account balances, personal financial information,  
20       vehicle movement records or other information compiled from  
21       transactions with such account holders. The information shall  
22       not be deemed a public record under the Right-to-Know Law, nor  
23       shall it be discoverable by court order or otherwise or be  
24       offered in evidence in any action or proceeding which is not  
25       directly related to the discharge of duties under this section,  
26       the regulations of the commission or a violation of an account  
27       holder agreement. The restrictions set forth in this subsection  
28       shall not be deemed to preclude a court of competent  
29       jurisdiction from issuing an order directing that the  
30       information be provided to law enforcement officials if the



1 information is reasonably described and is requested solely in  
2 connection with a criminal law enforcement action. The  
3 restriction set forth in this subsection shall not be deemed to  
4 preclude the exchange of such information between any entities  
5 with jurisdiction over or which operate an electronic toll  
6 collection system in this Commonwealth or any other  
7 jurisdiction, nor shall it be deemed to prohibit the use of the  
8 information exclusively for the purpose of billing electronic  
9 toll collection account holders, deducting toll charges from the  
10 account of an account holder, enforcing toll collection laws and  
11 related regulations or enforcing the provisions of an account  
12 holder agreement.

13 (e) Definition.--As used in this section, the term "owner"  
14 means any person, corporation, firm, partnership, agency,  
15 association, organization or lessor that, at the time a vehicle  
16 is operated in violation of this section or regulations of the  
17 commission, is the beneficial or equitable owner of the vehicle,  
18 has title to the vehicle, is the registrant or coregistrant of  
19 the vehicle registered with the Department of Transportation or  
20 a comparable agency of another jurisdiction or uses the vehicle  
21 in its vehicle renting or leasing business. The term includes a  
22 person entitled to the use and possession of a vehicle subject  
23 to a security interest in another person.

24 § 8417. Refunding bonds.

25 The commission is hereby authorized to provide, by  
26 resolution, for the issuance of turnpike revenue refunding bonds  
27 for the purpose of refunding any turnpike revenue bonds, notes  
28 or other obligations issued and then outstanding. The issuance  
29 of such turnpike revenue refunding bonds, the maturities and  
30 other details thereof, the rights of the holders thereof and the

duties of the Commonwealth and of the commission in respect to  
the same shall be governed by the provisions of this chapter  
insofar as the same may be applicable.

§ 8418. Rights of obligation holders and trustees.

Any holder of bonds, notes or other obligations issued under  
the provisions of this chapter, or any of the coupons attached  
thereto, and the trustee under the trust indenture, if any,  
except to the extent the rights given in this section, may be  
restricted by resolution passed before the issuance of the  
bonds, notes or other obligations, or by the trust indenture,  
may, either at law or in equity, by suit, action, mandamus or  
other proceedings, protect and enforce any and all rights  
granted hereunder or under such resolution or trust indenture  
and may enforce and compel performance of all duties required by  
this chapter or by such resolution or trust indenture to be  
performed by the commission or any officer thereof, including  
the fixing, charging and collecting of tolls for the use of the  
turnpikes.

§ 8419. Authority granted to Secretary of Transportation.

(a) Agreement with Federal Government.--The Secretary of  
Transportation is hereby authorized and empowered to enter into  
an agreement with the United States Department of  
Transportation, the Federal Highway Administration and any other  
Federal agency pursuant to section 105 of the Federal-Aid  
Highway Act of 1978 (Public Law 95-599), in order to obtain  
Federal funds for projects for resurfacing, restoring and  
rehabilitating toll roads in Pennsylvania. The commission is  
authorized to use Federal funds which may be available for toll  
roads only pursuant to the approval of the Pennsylvania  
Secretary of Transportation and only pursuant to the authority

1 granted in this section.

2 (b) Approval by department.--All contracts and agreements  
3 relating to the construction of the turnpikes and connecting  
4 tunnels and bridges shall be approved by the Department of  
5 Transportation.

6 § 8420. Construction of chapter.

7 This chapter shall be deemed to provide an additional and  
8 alternative method for the doing of things authorized thereby  
9 and shall be regarded as supplemental and additional to powers  
10 conferred by other laws and shall not be regarded as in  
11 derogation of any powers now existing and shall be liberally  
12 construed to effect the purposes thereof.

13 Section 6. Sections 8901, 8911 and 8915 of Title 75, amended  
14 July 18, 2007 (P.L.169, No.44), are amended to read:

15 § 8901. Definitions.

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

19 ["Annual additional payments." As follows:

20 (1) During the conversion period and after the  
21 conversion date, an amount equal to the scheduled annual  
22 commission contribution, minus the sum of:

23 (i) \$200,000,000 paid as annual base payments;

24 (ii) any Interstate 80 savings for that fiscal year.

25 (2) If the conversion period has expired and a  
26 conversion notice has not been received by the secretary, in  
27 each subsequent fiscal year until the end of the term of the  
28 lease agreement, the annual additional payments shall be  
29 \$250,000,000.

30 "Annual base payments." An amount equal to the sum of the

1 following:

2 (1) Annual debt service on outstanding bonds issued  
3 under section 9511.2 (relating to special revenue bonds)  
4 payable as required pursuant to the bonds.

5 (2) Two hundred million dollars payable annually in four  
6 equal installments each due the last business day of each  
7 July, October, January and April.

8 "Annual surplus payments." An amount equal to the general  
9 reserve fund surplus payable for each fiscal year until the end  
10 of the term of the lease agreement.

11 "Auditor General's certificate." The certificate issued by  
12 the Auditor General within 180 days after the end of each fiscal  
13 year of the Pennsylvania Turnpike Commission certifying all of  
14 the following:

15 (1) The amount of the general reserve fund surplus for  
16 the fiscal year.

17 (2) After review of the commission's current ten-year  
18 capital plan, that the transfer of the general reserve fund  
19 surplus under section 8915.3 (relating to lease of Interstate  
20 80; related agreements) shall not impair the ability of the  
21 commission to meet its obligations under the lease agreement  
22 or the commission's ten-year capital plan.]

23 "Commission." The Pennsylvania Turnpike Commission.

24 ["Conversion date." The date set forth in the conversion  
25 notice when the Pennsylvania Turnpike Commission intends to  
26 exercise its option to convert Interstate 80 to a toll road.

27 "Conversion notice." Written notice to the Secretary of  
28 Transportation from the Pennsylvania Turnpike Commission  
29 providing notice of its intent to exercise its options to  
30 convert Interstate 80 under section 8915.3(3) (relating to lease

1 of Interstate 80; related agreements).

2 "Conversion period." A period of three years:

3 (1) which begins on the date of execution of the lease  
4 agreement; and

5 (2) during which the Pennsylvania Turnpike Commission  
6 may give the Department of Transportation conversion notice  
7 or notice that the commission has exercised its option to  
8 extend the conversion period pursuant to section 8915.3(2)  
9 (relating to lease of Interstate 80; related agreements).

10 "Fiscal year." The fiscal year of the Commonwealth.

11 "General reserve fund surplus." The amount which:

12 (1) is certified by the Auditor General in the Auditor  
13 General's certificate as existing in the Pennsylvania  
14 Turnpike Commission's general reserve fund on the last day of  
15 the fiscal year of the commission; and

16 (2) is not required to be retained in the general  
17 reserve fund pursuant to any financial documents, financial  
18 covenants, insurance policies, liquidity policies or  
19 agreements in effect at the commission.

20 "Interstate 80 savings." An amount equal to the following:

21 (1) Prior to the conversion date, the amount shall be  
22 zero.

23 (2) In the first fiscal year, including the conversion  
24 date, the amount shall be a pro rata share of \$116,985,856  
25 calculated using the number of calendar days in the year  
26 after the conversion date divided by 365 days.

27 (3) In the fiscal year succeeding the year, including  
28 the conversion date, the amount shall be \$121,665,290.

29 (4) In subsequent fiscal years, the amount shall be the  
30 amount calculated for the previous year increased by 4%.

1 "Lease agreement." A lease agreement between the Department  
2 of Transportation and the Pennsylvania Turnpike Commission which  
3 shall include provisions setting forth the terms of the  
4 conversion of Interstate 80 to a toll road.

5 "Scheduled annual commission contribution." The following  
6 amounts:

7 (1) \$750,000,000 in fiscal year 2007-2008.

8 (2) \$850,000,000 in fiscal year 2008-2009.

9 (3) \$900,000,000 in fiscal year 2009-2010.

10 (4) For fiscal year 2010-2011 and each fiscal year  
11 thereafter, the amount shall be the amount calculated for the  
12 previous year increased by 2.5%, except that the amount shall  
13 be equal to the annual base payments plus \$250,000,000 if the  
14 conversion notice is not received by the secretary prior to  
15 the expiration of the conversion period.]

16 § 8911. Improvement and extension authorizations.

17 In order to facilitate vehicular traffic within and across  
18 this Commonwealth, the commission is hereby authorized and  
19 empowered to construct, operate and maintain turnpike extensions  
20 and turnpike improvements at such specific locations and  
21 according to such schedule as shall be deemed feasible and  
22 approved by the commission, together with connecting roads,  
23 storm water management systems, [interchanges, slip ramps,]  
24 tunnels and bridges, subject to the waiver of the Federal toll  
25 prohibition provisions where applicable, as follows:

26 (1) Widen turnpike to six lanes between the Northeast  
27 Extension and the Delaware River Interchange.

28 (2) Construct turnpike interchange with Interstate Route  
29 95 in Bucks County.

30 (3) Construct turnpike interchange with Interstate Route

1 476 in Montgomery County.

2 (4) Construct turnpike interchange with Keyser Avenue in  
3 Lackawanna County.

4 (5) Construct extensions to the existing turnpike from a  
5 point westerly of existing Interchange 2 extending northerly  
6 to a connection with the existing interchange between U.S.  
7 Route 422 and proposed State Route 60 in Lawrence County and  
8 extending southerly to a connection with existing State Route  
9 60 in Beaver County at or near State Route 51.

10 (6) Construct an extension to the turnpike from a point  
11 at or near Interchange 8 in Westmoreland County extending  
12 northerly to an interchange with State Route 66 northwest of  
13 Greensburg and continuing northerly to an interchange with  
14 U.S. Route 22 south of Delmont.

15 (7) Construct an additional Lehigh Tunnel on the  
16 Northeast Extension of the turnpike.

17 (8) Construct a private turnpike interchange directly  
18 connected to the New Cumberland Army Depot. The commission  
19 may commence construction of the private turnpike interchange  
20 notwithstanding the construction schedule established by this  
21 section.

22 (9) Construct an interchange on the Northeast Extension  
23 with State Route 903 in Carbon County. The commission may  
24 commence construction of this interchange notwithstanding the  
25 construction schedule established by this section.

26 [(10) Other slip ramps and interchanges as the  
27 commission may determine.]

28 § 8915. Conversion to toll roads.

29 In order to facilitate vehicular traffic within and across  
30 this Commonwealth, and [to facilitate] after the completion of

1 the turnpike extensions and improvements authorized in section  
2 8911 (relating to improvement and extension authorizations), and  
3 subject to prior legislative approval by the General Assembly  
4 and the United States Congress, the commission is hereby  
5 authorized and empowered to convert to toll roads such portions  
6 of Pennsylvania's interstate highway system as may be required  
7 in order to facilitate the completion of the turnpike extensions  
8 and improvements authorized in sections 8912 (relating to  
9 subsequent extension authorizations), 8913 (relating to  
10 additional subsequent extension authorizations) and 8914  
11 (relating to further subsequent authorizations) and to operate  
12 and maintain such converted interstates as toll roads upon the  
13 approval by the Congress of the United States of America and the  
14 General Assembly of this Commonwealth of legislation expressly  
15 permitting the conversion of such interstates to toll roads.  
16 Such conversions shall take place at a time and manner set forth  
17 in the plan for the conversion prepared by the [commission with  
18 the cooperation of the] department. The provisions authorizing  
19 the commission to construct, operate and maintain the turnpike  
20 routes in sections 8911, 8912 and 8913 shall be subject to:

21 (1) the prior passage by the Congress of the United  
22 States and the General Assembly of this Commonwealth of  
23 legislation permitting the conversion of certain interstates  
24 to toll roads; or

25 (2) the availability of such other funds as might become  
26 available in amounts that would be sufficient to fund to  
27 completion any of the individual turnpike extensions and  
28 improvements set forth in sections 8912, 8913 and 8914 so  
29 long as no turnpike extension or improvement authorized by  
30 section 8914 is undertaken until after all the turnpike



1 extensions authorized by section 8913 are completed and no  
2 turnpike extension authorized by section 8913 is undertaken  
3 until after all the turnpike extensions and improvements  
4 authorized by section 8912 are completed. The commission is  
5 authorized to use Federal funds which may be available for  
6 toll roads only pursuant to the approval of the Secretary of  
7 Transportation and only pursuant to the authority granted in  
8 section 19 of the act of September 30, 1985 (P.L.240, No.61),  
9 known as the Turnpike Organization, Extension and Toll Road  
10 Conversion Act.

11 Section 7. Sections 8915.1, 8915.2, 8915.3, 8915.4, 8915.5,  
12 8915.6, 8915.7, 8917, 8918, 9501, 9511.2, 9511.3, 9511.4,  
13 9511.5, 9511.6, 9511.7, 9511.8, 9511.9, 9511.10, 9511.11,  
14 9511.12 and 9511.13 of Title 75, added July 18, 2007 (P.L.169,  
15 No.44), are repealed:

16 [§ 8915.1. Conversion of Interstate 80.

17 In order to facilitate vehicular traffic across this  
18 Commonwealth, the commission is authorized and empowered to do  
19 all of the following:

20 (1) Convert Interstate 80 to a toll road and maintain  
21 and operate it as a toll road.

22 (2) Construct, reconstruct, widen, expand, extend,  
23 maintain and operate Interstate 80 from a point at or near  
24 the Ohio border to a point at or near the New Jersey border,  
25 together with connecting roads, interchanges, slip ramps,  
26 tunnels and bridges.

27 (3) Issue turnpike revenue bonds, notes or other  
28 obligations, payable solely from revenues of the commission,  
29 including tolls, or from funds as may be available to the  
30 commission for that purpose, to pay the cost of constructing,

1 reconstructing, widening, expanding or extending Interstate  
2 80 or any other costs of Interstate 80 and the Pennsylvania  
3 Turnpike.

4 (4) Provide quarterly reports and periodic updates  
5 regarding significant developments with respect to the  
6 conversion of Interstate 80 to the chairman and minority  
7 chairman of the Transportation Committee of the Senate and  
8 the chairman and minority chairman of the Transportation  
9 Committee of the House of Representatives. These reports  
10 shall include, at a minimum, the status of outstanding  
11 discussions with the United States Department of  
12 Transportation regarding Interstate 80, the location and  
13 construction of tolling-related equipment for Interstate 80,  
14 planned capital improvements for Interstate 80 and other  
15 information important to implementation of this section.

16 § 8915.2. Application to United States Department of  
17 Transportation.

18 (a) Application.--The commission, in consultation with the  
19 department and at its own expense, is authorized to prepare and  
20 submit an application to the United States Department of  
21 Transportation for the conversion of Interstate 80 to a toll  
22 road. The secretary shall ensure that all information required  
23 for the application is made available to the commission as soon  
24 as practicable after the effective date of this section.

25 (b) Open system.--A toll system shall consist of what is  
26 commonly referred to as an open system with no more than ten  
27 toll collection points.

28 (c) Other agreements.--The commission and the department may  
29 enter into any other agreements as may be necessary to  
30 effectuate the execution of the application filed under this

1 section.

2 § 8915.3. Lease of Interstate 80; related agreements.

3 The department and the commission shall enter into a lease  
4 agreement relating to Interstate 80 prior to October 15, 2007.  
5 The lease agreement shall include provisions setting forth the  
6 terms and conditions of the conversion of Interstate 80 to a  
7 toll road. The lease agreement and any related agreement, at a  
8 minimum, shall include the following:

9 (1) A provision that the term of the lease agreement  
10 shall be 50 years, unless extended upon mutual agreement of  
11 the parties to the lease agreement and upon approval of the  
12 General Assembly.

13 (2) A provision establishing the conversion period and  
14 authorizing extension of the conversion period at the sole  
15 option of the commission for three one-year extension periods  
16 after consultation with the secretary. The commission shall  
17 notify the secretary of its intent to extend the conversion  
18 period not less than 90 days before the scheduled expiration  
19 of the conversion period. During the conversion period, all  
20 legal, financial and operational responsibility for  
21 Interstate 80 shall remain with the department. All  
22 operations and programmed rehabilitation shall be maintained  
23 at levels no less favorable than those set forth in the  
24 department's 12-year plan at the time of the execution of the  
25 lease, with modifications as are approved in writing by the  
26 chairman of the commission.

27 (3) A provision permitting the commission to exercise  
28 its option to convert Interstate 80 to a toll road prior to  
29 the expiration of the conversion period by providing the  
30 conversion notice to the secretary. Beginning on the

1 conversion date, all legal, financial and operational  
2 responsibility for Interstate 80, as well as all toll  
3 revenues subsequently collected with respect to its use,  
4 shall automatically transfer to the commission. The  
5 secretary, within five business days after receiving the  
6 conversion notice, shall forward notice of the conversion  
7 date to the Legislative Reference Bureau for publication in  
8 the Pennsylvania Bulletin. Any revenues collected prior to  
9 the conversion date shall be retained by the department. The  
10 commission may contract with the department for any portion  
11 of the maintenance of Interstate 80 at cost levels agreed to  
12 by the department and the commission.

13 (4) A provision requiring the commission to pay annual  
14 base payments to the department during the term of the lease  
15 agreement.

16 (5) A provision requiring the commission to pay annual  
17 additional payments to the department. The annual additional  
18 payments shall be payable in four equal installments on the  
19 last business day of each July, October, January and April of  
20 each year during the term of the lease agreement.

21 (6) A provision requiring the commission to pay,  
22 commencing in the fiscal year including the conversion date,  
23 annual surplus payments to the department. The annual surplus  
24 payments shall be payable by the commission within 30 days of  
25 receipt by the commission of the Auditor General's  
26 certificate.

27 (7) A provision stating that the obligation of the  
28 commission to pay the annual base payments, the annual  
29 additional payments and annual surplus payments shall be a  
30 subordinate obligation of the commission payable from amounts

1 in the general reserve fund of the commission only as  
2 permitted by any financing documents, financial covenants,  
3 liquidity policies or agreements in effect at the commission.

4 § 8915.4. Initial payment.

5 (a) Commission payment required.--Within 20 days after the  
6 effective date of this section, the commission shall pay to the  
7 department an amount equal to \$62,500,000, which shall be  
8 deposited into the Public Transportation Trust Fund. The amount  
9 paid shall represent 25% of the amount the department is  
10 required to deposit into the Public Transportation Trust Fund  
11 under 74 Pa.C.S. § 1506(b)(1)(i)(A) (relating to fund) and is  
12 payable by the commission under the lease agreement.

13 (b) Use of payment.--The department shall allocate the funds  
14 received under subsection (a) pursuant to 74 Pa.C.S. Ch. 15  
15 (relating to sustainable mobility options).

16 (c) Credits.--The payment made by the commission under this  
17 section shall be credited against the total amount payable by  
18 the commission under the lease agreement for the 2007-2008  
19 fiscal year.

20 § 8915.5. Other interstate highways.

21 In order to facilitate vehicular traffic across this  
22 Commonwealth and pursuant to the authority granted under this  
23 chapter, the commission is hereby authorized and empowered to:

24 (1) at its own expense and in consultation with the  
25 department, prepare a consulting civil engineer report and  
26 financial analysis with respect to the feasibility of  
27 converting any interstate highway or interstate highway  
28 segment to a toll road or adding to said interstates  
29 additional capacity projects financed by tolls; and

30 (2) at its own expense and in consultation with the

department and with approval of the General Assembly, prepare and submit an application to the United States Department of Transportation for the conversion of any interstate or interstate segment determined to be eligible for conversion to a toll road under any applicable Federal program.

§ 8915.6. Deposit and distribution of funds.

(a) Deposits.--Upon receipt by the department, the following amounts from the scheduled annual commission contribution shall be deposited in the Motor License Fund:

(1) For fiscal year 2007-2008, \$450,000,000.

(2) For fiscal year 2008-2009, \$500,000,000.

(3) For fiscal year 2009-2010, \$500,000,000.

(4) For fiscal year 2010-2011 and each fiscal year thereafter, the amount calculated for the previous year increased by 2.5%.

(b) Distribution.--The following shall apply:

(1) Annually, 15% of the amount deposited in any fiscal year under subsection (a) shall be distributed at the discretion of the secretary.

(2) Annually, \$5,000,000 of the amount deposited in any fiscal year under subsection (a) shall be distributed to counties.

(i) The distribution shall be in the ratio of:

(A) the square footage of deck area of a county's county-owned bridges; to

(B) the total square footage of deck area of county-owned bridges throughout this Commonwealth.

(ii) The amount of square footage under subparagraph

(i) shall be that reported as part of the National Bridge Inspection Standards Program.

1           (3) Annually, \$30,000,000 of the amount deposited in any  
2       fiscal year under subsection (a) shall be distributed to  
3       municipalities pursuant to the act of June 1, 1956 (1955  
4       P.L.1944, No.655), referred to as the Liquid Fuels Tax  
5       Municipal Allocation Law.

6           (4) Any funds deposited under subsection (a) but not  
7       distributed under paragraphs (1), (2) and (3) shall be  
8       distributed in accordance with needs-based formulas that are  
9       developed and subject to periodic revision based on  
10      consultation and collaboration among metropolitan planning  
11      organizations, rural planning organizations and the  
12      department.

13      (c) Definitions.--The following words and phrases when used  
14      in this section shall have the meanings given to them in this  
15      subsection unless the context clearly indicates otherwise:

16      "Metropolitan planning organization." The policy board of an  
17      organization created and designated to carry out the  
18      metropolitan transportation planning process.

19      "Rural planning organization." The organization of counties  
20      with populations of less than 50,000 created and designated as  
21      local development districts and which carry out the rural  
22      transportation planning process.

23      § 8915.7. Impact on associated highways and local roads.

24      Prior to the conversion date and within one year following  
25      the conversion date, the commission, in collaboration with the  
26      department, shall conduct traffic studies to determine the  
27      average daily traffic on associated roads and highways. The  
28      purpose of these studies will be to quantify any diversion of  
29      traffic from Interstate 80 to other roadways as a result of the  
30      conversion. This section shall not require duplication of

1 traffic studies undertaken by the commission as a part of the  
2 conversion process or undertaken by the department as a normal  
3 course of the department's operations.

4 § 8917. Financial plan.

5 (a) Submission.--

6 (1) No later than June 1 of each year, the commission  
7 shall prepare and provide to the Secretary of the Budget a  
8 financial plan for the ensuing fiscal year of the commission  
9 that describes the commission's proposed:

10 (i) operating and capital expenditures;

11 (ii) borrowings;

12 (iii) liquidity and other financial management  
13 covenants and policies;

14 (iv) estimated toll rates; and

15 (v) all other revenues and expenditures.

16 (2) The financial plan shall demonstrate that the  
17 operation of the commission in accordance with the plan can  
18 reasonably be anticipated to result in the commission having  
19 unencumbered funds during the ensuing and future fiscal years  
20 of the commission sufficient to make the payments due to the  
21 department under this chapter and the lease agreement for the  
22 ensuing and future fiscal years after all other obligations  
23 of the commission have been met. Financial plans prepared  
24 after June 1, 2008, shall also describe any deviations that  
25 occurred from the financial plan for the prior fiscal year of  
26 the commission and the reasons for the deviations.

27 (b) Receipt.--If the Secretary of the Budget receives the  
28 financial plan by the date required under subsection (a), the  
29 commission shall be authorized to conduct its operations in  
30 accordance with the plan. The financial plan may not be amended



1 by the commission unless the commission notifies the secretary  
2 in writing of the amendment.

3 (c) Cooperation.--The commission shall provide to the  
4 Secretary of the Budget all information requested in connection  
5 with review of a financial plan, including materials used to  
6 prepare the plan. The information shall be provided as soon as  
7 practicable after the request.

8 (d) Effect of provisions.--Nothing in this section shall be  
9 deemed to prevent the commission from conducting its normal  
10 course of business or prevent the commission from complying with  
11 any covenants made to current bondholders, debt holders or  
12 creditors.

13 (e) Lease agreement.--The provisions of this section and  
14 section 8918 (relating to failure to perform) shall be included  
15 in the lease agreement.

16 § 8918. Failure to perform.

17 (a) Notice.--The Secretary of the Budget shall send written  
18 notice to the commission and to the Governor of the failure of  
19 the commission to do any of the following:

20 (1) Make a payment to the department under this chapter  
21 or the lease agreement.

22 (2) Deliver a financial plan to the Secretary of the  
23 Budget within the time prescribed under section 8917  
24 (relating to financial plan).

25 (b) Unanimous vote required.--

26 (1) Except as provided under paragraph (1.1), upon the  
27 receipt by the commission of the notice under subsection (a)  
28 and notwithstanding any other provision of law, action of the  
29 commission taken by vote of the commissioners shall require a  
30 unanimous vote of all commissioners. Violation of this

paragraph shall render the action invalid.

(1.1) A unanimous vote shall not be required if it would prevent the commission from complying with any covenants made to current bondholders, debt holders or creditors.

(2) The requirement of paragraph (1) shall continue until:

(i) the required payments have been made to the department or the required financial plan has been delivered; and

(ii) the Secretary of the Budget has notified the commission and the Governor of that fact.

#### § 9501. Definitions.

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

"Act 3." The act of April 17, 1997 (P.L.6, No.3), entitled, "An act amending Titles 74 (Transportation) and 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for annual appropriation and computation of subsidy and for distribution of funding; providing for distribution of supplemental funding; further providing for use of funds distributed; providing for public transportation grants management accountability, for competitive procurement and for the Public Transportation Assistance Fund; further providing for period of registration, for duties of agents, for registration and other fees, for requirements for periodic inspection of vehicles, for limits on number of towed vehicles, for operation of certain combinations on interstate and other highways and for width and length of vehicles; providing for liquid fuels and fuels permits and bond or deposit of securities, for imposition

1 of liquid fuels and fuels tax, for taxpayer, for distributor's  
2 report and payment of tax, for determination of tax, penalties  
3 and interest, for examination of records and equipment, for  
4 retention of records by distributors and dealers, for  
5 disposition and use of tax, for discontinuance or transfer of  
6 business, for suspension or revocation of permits, for lien of  
7 taxes, penalties and interest, for collection of unpaid taxes,  
8 for reports from common carriers, for violations and reward for  
9 detection of violations, for refunds, for diesel fuel importers  
10 and transporters, for prohibiting use of dyed diesel fuel, for  
11 disposition of fees, fines and forfeitures, for certified copies  
12 of records and for uncollectible checks; further providing for  
13 distribution of State highway maintenance funds and for  
14 standards and methodology for data collection; providing for  
15 dirt and gravel road maintenance; further providing for  
16 imposition of tax and additional tax; providing for tax on  
17 alternative fuels; further providing for disposition of tax  
18 revenue; making an appropriation; and making repeals."

19 "Annual debt service payments." The annual debt service  
20 payments on the bonds issued under section 9511.2 (relating to  
21 special revenue bonds) and payable by the commission to the  
22 department as part of annual base payments as defined under  
23 section 8901 (relating to definitions).

24 "Bond-related expenses." The term shall include all of the  
25 following:

26 (1) Printing, publication or advertising expenses with  
27 respect to the sale and issuance of bonds.

28 (2) Fees, expenses and costs of registrars.

29 (3) Fees, expenses and costs of attorneys, accountants,  
30 feasibility consultants, computer programmers or other

1 experts employed to aid in the sale and issuance of the  
2 bonds.

3 (4) Other costs, fees and expenses incurred or  
4 reasonably related to the issuance and sale of the bonds  
5 including the funding of a debt service reserve fund.

6 "Bond-related obligation." An agreement or contractual  
7 relationship between the Pennsylvania Turnpike Commission and:

8 (1) a bank, trust company, insurance company, surety  
9 bonding company, pension fund or other financial institution  
10 providing increased credit on or security for the bonds or  
11 liquidity for secondary market transactions; or

12 (2) the counter party to a swap agreement.

13 "Commission." The Pennsylvania Turnpike Commission or any  
14 successor organization.

15 "Cost of the department." The term includes the costs of all  
16 of the following:

17 (1) Constructing, reconstructing, widening, expanding or  
18 extending the State highway and rural State highway system  
19 and connecting roads, tunnels and bridges.

20 (2) Systems of public passenger transportation or  
21 portions of the systems, the placing of the systems in  
22 operation and the condemnation of property necessary for  
23 construction and operation of the systems.

24 (3) Lands, property rights, rights-of-way, easements and  
25 franchises acquired, which are deemed necessary or convenient  
26 for the construction, reconstruction, widening, expanding or  
27 extending under paragraph (1) or (2).

28 (4) Machinery and equipment, financing charges, interest  
29 prior to and during construction and for one year after  
30 completion of construction.

1 (5) Any of the following:

2 (i) Traffic estimates, engineering and legal  
3 expenses, plans, specifications, surveys and estimates of  
4 cost and of revenues.

5 (ii) Other expenses necessary or incident to  
6 determining the feasibility or practicability of the  
7 enterprise. This subparagraph includes administrative and  
8 legal expenses.

9 (iii) Other expenses as may be necessary or incident  
10 to the financing authorized under this chapter, the  
11 construction, reconstruction, widening, expanding or  
12 extending of the State highway and the rural State  
13 highway system and connecting roads, tunnels and bridges.

14 (6) Any obligation or expense contracted for by the  
15 department or with the United States or an agency of the  
16 United States, for traffic surveys, preparation of plans and  
17 specifications, supervision of construction and other  
18 engineering, administrative and legal services and expenses  
19 in connection with the construction, reconstruction,  
20 widening, expanding or extending of the State highway and  
21 rural State highway system or any of the connecting roads,  
22 tunnels and bridges or the costs of the systems of public  
23 passenger transportation or portions of the systems.

24 (7) Payment of any notes or other obligations if the  
25 notes or other obligations were issued for the payment of a  
26 cost of the department.

27 "Design-build arrangement." A procurement or project  
28 delivery arrangement whereby a single entity, which may be a  
29 single contractor or a consortium comprised of multiple  
30 contractors, engineers and other subconsultants, is responsible

1 for both the design and construction of a transportation project  
2 with a guaranteed completion date and guaranteed maximum price.

3 "Pledged revenues." Annual debt service payments and  
4 revenues described in 75 Pa.C.S. § 9511.11(b)(2) (relating to  
5 pledged revenues).

6 "Regularly scheduled debt service." The scheduled payments  
7 due for principal and interest on bonds, without regard to any  
8 acceleration of the due date of such principal or interest by  
9 reason of mandatory or optional redemption or acceleration  
10 resulting from default or otherwise, other than an advancement  
11 of payment resulting from a mandatory sinking fund payment.

12 "Rural State highway system." All roads and highways taken  
13 over by the Commonwealth as State highways under the provisions  
14 of the act of June 22, 1931 (P.L.594, No.203), referred to as  
15 the Township State Highway Law, and all other roads and highways  
16 specifically designated by the Secretary of Transportation as  
17 Rural State Highways.

18 "State highway." All roads and highways taken over by the  
19 Commonwealth as State highways under the provisions of any  
20 statute other than the act of June 22, 1931 (P.L.594, No.203),  
21 referred to as the Township State Highway Law. Unless clearly  
22 intended, the term shall not include any street in any city,  
23 borough or incorporated town, even though the same may have been  
24 taken over as a State highway.

25 § 9511.2. Special revenue bonds.

26 (a) Payment source.--A special revenue bond, note or other  
27 obligation issued under this chapter:

28 (1) shall not be deemed to be a debt or liability of the  
29 Commonwealth;

30 (2) shall not create or constitute any indebtedness,

1 liability or obligation of the Commonwealth; and

2 (3) shall be payable solely from pledged revenues.

3 (b) Statement.--A special revenue bond, note or other  
4 obligation issued under this chapter must contain a statement on  
5 its face that:

6 (1) the Commonwealth is not obligated to pay the bond,  
7 note or obligation or the interest on it except from pledged  
8 revenues; and

9 (2) neither the faith and credit, nor the taxing power  
10 of the Commonwealth is pledged to the payment of the  
11 principal or interest of the bond, note or obligation.

12 (c) Taxation.--The issuance of a special revenue bond, note  
13 or other obligation under this chapter shall not directly,  
14 indirectly or contingently obligate the Commonwealth to levy a  
15 tax or to make an appropriation for payment.

16 § 9511.3. Expenses.

17 (a) Reimbursement.--The commission shall be reimbursed from  
18 bond proceeds for the necessary and documented reasonable  
19 expenses incurred in the performance of the duties performed  
20 under the provisions of this chapter.

21 (b) Source.--All expenses incurred in carrying out the  
22 provisions of this chapter shall be paid solely from funds  
23 provided under the authority of this chapter, and sufficient  
24 funds shall be provided under the authority of this chapter to  
25 meet any liability or obligation incurred in carrying out the  
26 provisions of this chapter.

27 § 9511.4. Special revenue bonds and preliminary or interim  
28 financing.

29 (a) Authorization.--The commission is authorized to provide,  
30 by resolution, for the issuance of special revenue bonds of the

1 commission up to an aggregate principal amount not exceeding  
2 \$5,000,000,000, exclusive of original issue discount, for the  
3 purpose of paying the cost of the department and bond-related  
4 expenses. The resolution must recite an estimate of the cost of  
5 the department. No more than \$600,000,000 in aggregate principal  
6 amount of special revenue bonds, exclusive of original issue  
7 discount, may be issued in any calendar year. No bond may be  
8 issued and outstanding under this section unless the lease  
9 agreement authorized under section 8915.3 (relating to lease of  
10 Interstate 80; related agreements) is in effect as of the date  
11 of issuance. No bond may be outstanding beyond the term of the  
12 lease. Special revenue refunding bonds as set forth in section  
13 9511.9 (relating to special revenue refunding bonds) shall not  
14 be deemed to count against the total or annual maximum issuance  
15 volume. The principal and interest of the bond shall be payable  
16 solely from pledged revenues.

17 (b) Form.--

18 (1) A bond may be issued in registered form.

19 (2) A bond:

20 (i) must be dated;

21 (ii) must bear interest at a rate not exceeding the  
22 rate permitted under applicable law;

23 (iii) must be payable semiannually or at other times  
24 as set forth in the resolution of the commission  
25 authorizing the issuance of the bonds;

26 (iv) must mature, as determined by the commission,  
27 no later than 40 years from the date of the bond; and

28 (v) may be made redeemable before maturity, at the  
29 option of the commission, at a price and under terms and  
30 conditions fixed by the commission prior to the issuance



1 of the bonds.

2 (c) Issuance.--

3 (1) The commission may sell bonds at public or private  
4 sale and for a price it determines to be in the best interest  
5 of the Commonwealth.

6 (2) Bonds may be issued in series with varying  
7 provisions as to all of the following:

8 (i) Rates of interest, which may be fixed or  
9 variable.

10 (ii) Other provisions not inconsistent with this  
11 chapter.

12 (d) (Reserved).

13 (e) Payment.--

14 (1) The principal and interest of the bonds may be made  
15 payable in any lawful medium.

16 (2) The commission shall:

17 (i) determine the form of bonds; and

18 (ii) fix:

19 (A) the denomination of the bond; and

20 (B) the place of payment of principal and  
21 interest of the bond, which may be at any bank or  
22 trust company within or without this Commonwealth.

23 (f) Signature.--The bond must bear the manual or facsimile  
24 signature of the Governor and of the chairman of the commission.  
25 The official seal of the commission or a facsimile of the  
26 official seal shall be affixed to or printed on the bond and  
27 attested by the secretary and treasurer of the commission. If an  
28 officer whose signature or facsimile of a signature appears on a  
29 bond ceases to be an officer before the delivery of the bond,  
30 the signature or facsimile shall nevertheless be valid and

1 sufficient for all purposes as if the officer remained in office  
2 until delivery.

3 (g) Negotiability.--A special revenue bond issued under this  
4 chapter shall have all the qualities and incidents of a  
5 negotiable instrument under 13 Pa.C.S. Div. 3 (relating to  
6 negotiable instruments).

7 (h) Proceeds.--The proceeds of a bond shall be used solely  
8 for the following:

9 (1) Payment of the cost of the department.

10 (2) Bond-related expenses.

11 (i) Temporary bonds.--Prior to the preparation of definitive  
12 bonds, the commission may, under similar provisions as those  
13 applicable to the definitive bonds, issue temporary bonds,  
14 exchangeable for definitive bonds upon the issuance of  
15 definitive bonds.

16 (j) (Reserved).

17 (k) Status as securities.--

18 (1) A bond is made a security in which any of the  
19 following may properly and legally invest funds, including  
20 capital, belonging to them or within their control:

21 (i) Commonwealth and municipal officers.

22 (ii) Commonwealth agencies.

23 (iii) Banks, bankers, savings banks, trust  
24 companies, saving and loan associations, investment  
25 companies and other persons carrying on a banking  
26 business.

27 (iv) Insurance companies, insurance associations and  
28 other persons carrying on an insurance business.

29 (v) Fiduciaries.

30 (vi) Other persons that are authorized to invest in

1 bonds or other obligations of the Commonwealth.

2 (2) A bond is made a security which may properly and  
3 legally be deposited with and received by a Commonwealth or  
4 municipal officer or a Commonwealth agency for any purpose  
5 for which the deposit of bonds or other obligations of the  
6 Commonwealth is authorized by law.

7 (1) Borrowing.--The following shall apply:

8 (1) The commission is authorized to do all of the  
9 following:

10 (i) Borrow money at an interest rate not exceeding  
11 the rate permitted by law.

12 (ii) Provide for preliminary or interim financing up  
13 to, but not exceeding the estimated total cost of the  
14 department and bond-related expenses and to evidence the  
15 borrowing by the issuance of special revenue notes and,  
16 in its discretion, to pledge as collateral for the note  
17 or other obligation a special revenue bond issued under  
18 the provisions of this chapter. The commission may renew  
19 the note or obligation, and the payment or retirement of  
20 the note or obligation shall be considered to be payment  
21 of the cost of the project.

22 (2) A note or obligation issued under this subsection  
23 must contain a statement on its face that:

24 (i) the Commonwealth is not obligated to pay the  
25 note or obligation or interest on it, except from pledged  
26 revenues; and

27 (ii) neither the faith and credit nor the taxing  
28 power of the Commonwealth is pledged to the payment of  
29 its principal or interest.

30 § 9511.5. Application of proceeds of obligations, lien of

holders of obligations, design-build requirement and projects approved by General Assembly.

(a) Application.--The following shall apply:

(1) All proceeds received from any bonds, notes or other obligations issued under this chapter shall be applied solely to the payment of:

(i) the cost of the department; and

(ii) bond-related expenses.

(2) The commission may provide by resolution that until proceeds received from any bonds, notes or other obligations issued under this chapter is applied under paragraph (1), a lien shall exist upon the proceeds in favor of holders of the bonds, notes or other obligations or a trustee provided for in respect to the bonds, notes or other obligations.

(b) Design-build arrangements.--

(1) To facilitate the timely completion of projects to be financed by the department with bond proceeds, the department may utilize design-build arrangements for each project to be financed with bond proceeds if the project value is estimated by the department to exceed \$100,000,000.

(2) Notwithstanding the provisions of any other law, the department may utilize design-build arrangements for the following:

(i) projects to be financed by the department with bond proceeds for projects estimated by the department to have a value of \$100,000,000 or less; and

(ii) all other construction projects of the department not included under subparagraph (i) or paragraph (1).

(3) The selection of the party for a design-build

arrangement under this subsection must be conducted in a manner consistent with the procurement and public bidding laws applicable to the department.

(c) Capital projects.--All projects financed by the department with bond proceeds shall be included in any submission the department is already required to make to the General Assembly with respect to the expenditure of funds for highway projects.

(d) Investment.--Pending the application of proceeds to cost of the department and bond-related expenses, the commission may invest the funds in permitted investments as defined under any trust indenture.

§ 9511.6. Trust indenture, protection of holders of obligations and depositories.

(a) Indenture.--In the discretion of the commission, a bond, note or other obligation may be secured by a trust indenture by and between the commission and a corporate trustee, which may be any trust company or bank having the powers of a trust company, within or without this Commonwealth.

(b) Pledge or assignment.--A trust indenture under subsection (a) may pledge or assign the pledged revenues but shall not convey or mortgage the turnpike or any part of the turnpike.

(c) Rights and remedies.--The resolution providing for the issuance of the bond, note or other obligation of the trust indenture may contain provisions for protecting and enforcing the rights and remedies of the bondholders or holders of notes or other obligations as may be reasonable and proper and not in violation of law.

(d) Depository.--It shall be lawful for any bank or trust

1 company incorporated under the laws of this Commonwealth to act  
2 as depository of the proceeds of the bond, note or other  
3 obligation or revenue, to furnish indemnity bonds or to pledge  
4 securities as may be required by the commission.

5 (e) Indenture.--The trust indenture may set forth the rights  
6 and remedies of the bondholders or holders of notes or other  
7 obligations and of the trustee and may restrict the individual  
8 right of action of bondholders or holders of notes or other  
9 obligations as is customary in trust indentures securing bonds,  
10 debentures of corporations, notes or other obligations. The  
11 trust indenture may contain other provisions as the commission  
12 may deem reasonable and proper for the security of bondholders  
13 or holders of notes or other obligations.

14 § 9511.7. Exemption from Commonwealth taxation.

15 The effectuation of the purposes of this chapter is for the  
16 benefit of the citizens of this Commonwealth and for the  
17 improvement of their commerce and prosperity. Since the  
18 commission will be performing essential government functions in  
19 effectuating these purposes, the commission shall not be  
20 required to pay any tax or assessment on any property acquired  
21 or used by it for the purposes provided under this chapter. A  
22 bond, note or other obligation issued by the commission, its  
23 transfer and the income from its issuance and transfer,  
24 including any profits made on the sale of the bond, note or  
25 other obligation, shall be free from taxation within the  
26 Commonwealth.

27 § 9511.8. Costs related to Federal income tax matters.

28 Tax matter costs incurred by the commission in connection  
29 with any proceeding of or filing with the Internal Revenue  
30 Service concerning the use of proceeds of bonds issued under

1 this chapter shall be paid or reimbursed from available funds in  
2 the motor license fund. Tax matter costs shall include all of  
3 the following:

4 (1) Fees of tax counsel or arbitrage rebate calculation  
5 providers.

6 (2) Arbitrage rebate payments to the extent not properly  
7 payable from funds held under the bond indenture.

8 (3) Settlement payments to the Internal Revenue Service,  
9 either in relation to an examination initiated by the  
10 Internal Revenue Service or a closing agreement requested by  
11 the commission.

12 (4) Payments to bondholders as a result of claims based  
13 on pending, threatened or actual assessments of tax, interest  
14 or penalties by the Internal Revenue Service.

15 (5) Any other cost reasonably related to a proceeding by  
16 or filing with the Internal Revenue Service concerning the  
17 use of proceeds of the bonds.

18 § 9511.9. Special revenue refunding bonds.

19 The commission is authorized to provide, by resolution, for  
20 the issuance of special revenue refunding bonds of the  
21 commission for the purpose of refunding any special revenue  
22 bonds, notes or other obligations issued under the provisions of  
23 this chapter and then outstanding. The issuance of the special  
24 revenue refunding bonds, the maturities and other details of the  
25 bonds, the rights of the holders of the bonds and the duties of  
26 the department and of the commission with respect to the bonds  
27 shall be governed by the provisions of this chapter.

28 § 9511.10. Remedies of trustees and of holders of obligations.

29 (a) Grant of rights.--A holder of a bond, note or other  
30 obligation issued under this chapter and the trustee under the

trust indenture may, either at law or in equity, by suit,  
action, mandamus or other proceeding, do all of the following:

(1) Protect and enforce any right granted under this  
chapter or under the resolution or trust indenture.

(2) Enforce and compel performance of all duties  
required under this chapter or by resolution or trust  
indenture to be performed by the commission or any of its  
officers, including the collection of the pledged revenues.

(b) Exception.--Rights given under this chapter may be  
restricted by resolution passed before the issuance of the  
bonds, notes or other obligations or by the trust indenture.

§ 9511.11. Pledged revenues.

(a) Annual debt service payments.--Upon receipt by the  
department of the annual debt service payments, the department  
shall pay them to the trustee for the holders of the bonds  
issued under section 9511.2 (relating to special revenue bonds).

(b) Payment default.--

(1) The department shall notify the State Treasurer if  
the department receives a notice from the trustee which:

(i) indicates that a default in the payment by the  
commission on its regularly scheduled deposits with  
respect to debt service on the bonds has occurred; and

(ii) indicates the amount required to remedy the  
default.

(2) Upon notice under paragraph (1), the State Treasurer  
shall do all of the following:

(i) Notwithstanding section 9010 (relating to  
disposition and use of tax), transfer to the trustee from  
funds in the Motor License Fund as a result of the  
imposition of the tax under section 9004(a) (relating to



1 imposition of tax, exemptions and deductions) the amount  
2 necessary to remedy the default under paragraph (1)(ii).

3 (ii) If funds in the Motor License Fund as a result  
4 of the imposition of the tax under section 9004(a) are  
5 not sufficient to remedy the default under paragraph  
6 (1)(ii) and notwithstanding section 9511 (relating to  
7 allocation of proceeds), transfer to the trustee from  
8 funds in the Motor License Fund as a result of the  
9 imposition of the tax under section 9502(a)(1), (2)(i),  
10 (ii), (iii) and (iv) and (3)(ii) (relating to imposition  
11 of tax), an amount necessary, when combined with any  
12 funds transferred under subparagraph (i), to remedy the  
13 default.

14 (iii) If funds in the Motor License Fund as a result  
15 of the imposition of the tax under sections 9004(a) and  
16 9502(a)(1), (2)(i), (ii), (iii) and (iv) and (3)(ii) are  
17 not sufficient to remedy the default under paragraph  
18 (1)(ii) and notwithstanding the provisions of section 20  
19 of Act 3, transfer to the trustee from funds in the Motor  
20 License Fund as a result of the imposition of fees  
21 specified under sections 1912 (relating to passenger  
22 cars), 1913 (relating to motor homes), 1914 (relating to  
23 motorcycles), 1915 (relating to motor-driven cycles),  
24 1916 (relating to trucks and truck tractors), 1917  
25 (relating to motor buses and limousines), 1921 (relating  
26 to special mobile equipment), 1922 (relating to  
27 implements of husbandry), 1923 (relating to antique,  
28 classic and collectible vehicles), 1924 (relating to farm  
29 vehicles), 1925 (relating to ambulances, taxis and  
30 hearses), 1926 (relating to dealers and miscellaneous

motor vehicle business), 1926.1 (relating to farm equipment vehicle dealers), 1927 (relating to transfer of registration), 1929 (relating to replacement registration plates), 1932 (relating to duplicate registration cards), 1933 (relating to commercial implements of husbandry) and 1952 (relating to certificate of title), net of amounts appropriated to the commission under section 20 of Act 3, an amount necessary, when combined with funds transferred under subparagraphs (i) and (ii), to remedy the default.

(c) Commonwealth pledge.--This subsection shall operate as a pledge by the Commonwealth to an individual or entity that acquires a bond issued by the commission under section 9511.2:

(1) to secure the portion of the money described under this section and distributed under this section; and

(2) to not limit or alter the rights vested in the commission or the trustee for the bonds to the appropriation and distribution of money set forth under this section.

§ 9511.12. (Reserved).

§ 9511.13. Supplement to other laws and liberal construction.

This chapter shall be regarded as supplemental and additional to powers conferred by other statutes and shall not be regarded as in derogation of any powers existing on the effective date of this section. The provisions of this chapter, being necessary for the welfare of the Commonwealth and its citizens, shall be liberally construed to effect the purposes of this chapter.]

Section 8. (a) Financial assistance made by the Department of Transportation under former 74 Pa.C.S. Ch. 82 prior to the effective date of this section may continue to be used by recipients for operating or capital expenses upon the same terms and conditions as are contained in the notice of grant award or

1 grant agreement executed in connection with the award.

2 (b) The Department of Transportation may continue to use all  
3 funds appropriated or otherwise made available to it for public  
4 transportation purposes prior to the effective date of this  
5 section in accordance with the laws under which the funds were  
6 made available.

7 Section 9. The following shall apply:

8 (1) The General Assembly declares that the repeal under  
9 paragraph (2) is necessary to effectuate the addition of 74  
10 Pa.C.S. Ch. 13.

11 (2) Sections 8 and 9 of the act of July 18, 2007  
12 (P.L.169, No.44) entitled "An act amending Titles 53  
13 (Municipalities Generally), 74 (Transportation) and 75  
14 (Vehicles) of the Pennsylvania Consolidated Statutes,  
15 providing for minority and women-owned business  
16 participation; authorizing local taxation for public  
17 transportation assistance; repealing provisions relating to  
18 public transportation assistance; providing for  
19 transportation issues and for sustainable mobility options;  
20 consolidating the Turnpike Organization, Extension and Toll  
21 Road Conversion Act; providing for Turnpike Commission  
22 Standards of Conduct; in provisions on the Pennsylvania  
23 Turnpike, further providing for definitions, for  
24 authorizations and for conversion to toll roads and providing  
25 for conversion of Interstate 80, for application, for lease  
26 of Interstate 80, for payments, for other interstate  
27 highways, for fund distribution, for impact, for financial  
28 plan and for nonperformance; in taxes for highway maintenance  
29 and construction, providing for definitions; further  
30 providing for imposition and for allocation of proceeds;

1 providing for special revenue bonds, for expenses, for  
2 application of proceeds of obligations, for trust indenture,  
3 for exemption, for pledged revenues, for special revenue  
4 refunding bonds, for remedies, for Motor License Fund  
5 proceeds, for construction and for funding; and making  
6 related repeals."

7 Section 10. The addition of 74 Pa.C.s. Ch. 84 is a  
8 continuation of former 74 Pa.C.S. Ch. 81. The following shall  
9 apply:

10 (1) Except as otherwise provided under 74 Pa.C.S. Ch.  
11 84, all activities initiated under former 74 Pa.C.S. Ch. 81  
12 shall continue and remain in full force and effect and may be  
13 completed under 74 Pa.C.S. Ch. 84. Orders, regulations, rules  
14 and decisions which were made under former 74 Pa.C.S. Ch. 81  
15 and which are in effect on the effective date of section 4 of  
16 this act shall remain in full force and effect until revoked,  
17 vacated or modified under 74 Pa.C.S. Ch. 84. Contracts,  
18 obligations and collective bargaining agreements entered into  
19 under former 74 Pa.C.S. Ch. 81 are not affected nor impaired  
20 by the repeal of 74 Pa.C.S. Ch. 81.

21 (2) The addition of 74 Pa.C.S. Ch. 84 shall be  
22 interpreted to have the same legislative intent, judicial  
23 construction and administration and implementation of the  
24 former act of September 30, 1985 (P.L.240, No.61), known as  
25 the Turnpike Organization, Extension and Toll Road Conversion  
26 Act.

27 Section 11. This act shall take effect immediately.