

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 857 Session of  
2007

INTRODUCED BY ORIE, SCARNATI, PILEGGI, FOLMER, BROWNE, COSTA,  
D. WHITE AND EARLL, MAY 31, 2007

REFERRED TO TRANSPORTATION, MAY 31, 2007

AN ACT

1 Amending the act of April 6, 1956 (1955 P.L.1414, No.465),  
2 entitled, as amended, "An act to promote the welfare of the  
3 people of this Commonwealth; creating Port Authorities to  
4 function in counties of the second class as bodies corporate  
5 and politic, with power to plan, acquire, construct, maintain  
6 and operate facilities and projects for the improvement and  
7 development of the port district and to borrow money and  
8 issue bonds therefor; providing for the payment of such bonds  
9 and prescribing the rights of the holders thereof; conferring  
10 the right of eminent domain on the authorities; authorizing  
11 the authorities to enter into contracts with and to accept  
12 grants from the Federal government or any agency thereof; and  
13 conferring exclusive jurisdiction on certain courts over  
14 rates and services; and authorizing the authorities to  
15 collect tolls, fares, fees, rentals and charges for the use  
16 of facilities; defining the authorities' powers and duties,  
17 and defining the port districts; granting Port Authorities  
18 the exclusive right to engage in the business of owning,  
19 operating, and maintaining a transportation system for the  
20 transportation of persons in counties of the second class,  
21 providing, when necessary, for extension of transportation  
22 systems into adjoining counties and outside of said counties  
23 as provided in the act; limiting the jurisdiction of the  
24 Public Utility Commission over Port Authorities; authorizing  
25 municipalities to make loans and grants and to transfer  
26 existing facilities; authorizing Port Authorities to enter  
27 into contracts with and to accept grants from State and local  
28 governments or agencies thereof; exempting the property and  
29 facilities of such Port Authorities from taxation and  
30 limiting the time to commence civil action against said  
31 Authorities," further providing for audit requirements and  
32 for board members.

33 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 3.2 of the act of April 6, 1956 (1955  
3 P.L.1414, No.465), known as the Second Class County Port  
4 Authority Act, added July 2, 1986 (P.L.309, No.76), is amended  
5 to read:

6 Section 3.2. (a) In addition to any audits or financial  
7 statements required by the county, State or Federal Government,  
8 the authority shall be subject to the following performance  
9 audit requirements:

10 (1) at least once [every four years] per year, the Office of  
11 the Auditor General shall review the performance, procedures,  
12 operating budget, capital budget and debt of the authority and  
13 shall audit, settle and adjust the accounts of the authority  
14 prior to the receipt of any State funds for the subsequent year,  
15 and shall certify in accordance with criteria, to be established  
16 by the Auditor General's office, the authority's continued  
17 entitlement to such funds per the audit. The Auditor General  
18 shall be entitled to go beyond mere financial statements, and  
19 shall be entitled to examine original source documents at such  
20 time as is believed necessary, or may otherwise examine original  
21 documents on a random basis designed to ensure the integrity of  
22 the audit; and

23 (2) at least once every [eight] four years, the board shall  
24 engage an outside consultant to conduct a comprehensive  
25 management study of the entire operation of the authority,  
26 including recommendations to improve the efficiency of services  
27 being provided.

28 (b) In no instance shall the same consultant be used for  
29 consecutive audits, nor shall a member of the board have any  
30 financial or other interest in any entity retained as a

1 consultant.

2 (c) The findings of both of the audits required by  
3 subsection (a) shall be made available to the public, and copies  
4 shall be delivered to the Governor and the leaders of each of  
5 the four caucuses of the General Assembly.

6 (d) This section shall not be construed to prohibit more  
7 frequent reviews of the books and accounts of the authority.

8 Section 2. Section 6 of the act, amended June 18, 1999  
9 (P.L.72, No.11), is amended to read:

10 Section 6. Subject to the provisions of section 6.1, the  
11 powers of the authority shall be exercised by a board, composed  
12 of the number of members, not more than nine, one of whom shall  
13 at all times be a member of the county council appointed by the  
14 county executive, as shall be fixed by the county council of  
15 each county of the second class. The county executive of each  
16 county of the second class shall also appoint [the] four other  
17 members of the board, all of whom shall be residents of such  
18 county and citizens of the United States, whose terms of office  
19 shall commence on the date of appointment, one member shall  
20 serve for one year, one for two years, one for three years, and  
21 one for four years, and one for five years, from the first day  
22 of January next succeeding the date of approval of this act, and  
23 terms of other members shall be staggered in a similar manner  
24 but in no instance shall exceed five years. Thereafter, whenever  
25 a vacancy has occurred or is about to occur by reason of the  
26 expiration of the term of any member, the county executive shall  
27 appoint a member for a term of five years to succeed the member  
28 whose term has expired or is about to expire. Additionally, the  
29 Governor shall make two appointments, and the President pro  
30 tempore of the Senate and the Speaker of the House of

1 Representatives shall each also appoint one member to the nine-  
2 member board. On or before July 1, 2007, the county executive  
3 shall designate four current members to be replaced by the  
4 gubernatorial and legislative appointees. Thereafter, whenever a  
5 vacancy has occurred or is about to occur by reason of the  
6 expiration of the term of a member appointed by the Governor or  
7 the General Assembly, the relevant appointing authority shall  
8 appoint a member for a term of five years to succeed the member  
9 whose term has expired or is about to expire. All members  
10 appointed to the board shall possess qualifications and skills  
11 related to the operation of a transit authority. Members shall  
12 hold office until their successors have been appointed, and may  
13 succeed themselves. A member shall receive such compensation for  
14 his services as the county executive shall determine and shall  
15 be entitled to the necessary expenses, including traveling  
16 expenses incurred in the performance of his duties. Within  
17 ninety days after the creation of the authority, the board shall  
18 meet and organize by electing from their number a chairman, a  
19 vice chairman, and such other officers as the board may  
20 determine. The board may employ a secretary, an executive  
21 director, its own counsel and legal staff and such technical  
22 experts and other agents and employes, permanent or temporary,  
23 as it may require, and may determine the qualifications and fix  
24 the compensation of such persons. Six members of the board shall  
25 constitute a quorum for its meetings. Members of the board shall  
26 not be liable personally on the bonds or other obligations of  
27 the authority, and the rights of creditors shall be solely  
28 against such authority. The board may delegate to one or more of  
29 its agents or employes such of its powers as it shall deem  
30 necessary to carry out the purposes of this act, subject always

1 to the supervision and control of the board. The board shall  
2 have full authority to manage and operate the business of the  
3 authority and to prescribe, amend and repeal by-laws, rules and  
4 regulations governing the manner in which the business of the  
5 authority may be conducted and the powers granted to it may be  
6 exercised and embodied. Copies of such by-laws, rules and  
7 regulations shall be filed with the county council of the county  
8 incorporating the authority. A member may be removed for cause  
9 by the court of common pleas of the county in which the  
10 authority is located after having been provided with a copy of  
11 the charges against the member for at least ten days and a full  
12 hearing by the court.

13 If a vacancy occurs by reason of the death, resignation or  
14 removal of a member, the county executive shall appoint a  
15 successor to fill the unexpired term.

16 Section 3. This act shall take effect in 60 days.