

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 857 Session of
2007INTRODUCED BY ORIE, SCARNATI, PILEGGI, FOLMER, BROWNE, COSTA,
D. WHITE AND EARLL, MAY 31, 2007

AS AMENDED ON THIRD CONSIDERATION, JUNE 29, 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 fiscal year next
15 following the fiscal year in which the audit occurs and shall
16 certify in accordance with criteria, to be established by the
17 Auditor General's office, the authority's continued entitlement
18 to such funds per the audit. The Auditor General shall be
19 entitled to go beyond mere financial statements, and shall be
20 entitled to examine original source documents at such time as is
21 believed necessary, or may otherwise examine original documents
22 on a random basis designed to ensure the integrity of the audit;
23 and

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

29 (b) In no instance shall the same consultant be used for
30 consecutive audits, nor shall a member of the board have any

1 financial or other interest in any entity retained as a
2 consultant.

3 (c) The findings of both of the audits required by
4 subsection (a) shall be made available to the public, and copies
5 shall be delivered to the Governor and the chairman and minority
6 chairman of the Transportation Committee of the Senate and the
7 chairman and minority chairman of the Transportation Committee
8 of the House of Representatives of the General Assembly.

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

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

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

1 of five years to succeed the member whose term has expired or is
2 about to expire. The President pro tempore of the Senate, the
3 Speaker of the House of Representatives, the Minority Leader of
4 the Senate and the Minority Leader of the House of
5 Representatives shall each appoint one member to the nine-member
6 board. EXCEPT FOR THE COUNTY COUNCIL MEMBER, NO PERSON SHALL BE <—
7 APPOINTED OR SERVE AS A MEMBER OF THE BOARD IF THAT PERSON HOLDS
8 ANY OTHER ELECTED OFFICE OR PARTY OFFICE. On or before July 1,
9 2008, the county executive shall designate four current members
10 to be replaced by the gubernatorial and legislative appointees.
11 Thereafter, whenever a vacancy has occurred or is about to occur
12 by reason of the expiration of the term of a member appointed by
13 the Governor or the General Assembly, the relevant appointing <—
14 authority shall appoint a member for a term of five years to
15 succeed the member whose term has expired or is about to expire.
16 All members appointed to the board shall possess qualifications
17 and skills related to the operation of a transit authority.
18 Members shall hold office until their successors have been
19 appointed, and may succeed themselves. A member shall receive
20 such compensation for his services as the county executive shall
21 determine and shall be entitled to the necessary expenses,
22 including traveling expenses incurred in the performance of his
23 duties. Within ninety days after the creation of the authority,
24 the board shall meet and organize by electing from their number
25 a chairman, a vice chairman, and such other officers as the
26 board may determine. The board may employ a secretary, an
27 executive director, its own counsel and legal staff and such
28 technical experts and other agents and employes, permanent or
29 temporary, as it may require, and may determine the
30 qualifications and fix the compensation of such persons. Six

1 members of the board shall constitute a quorum for its meetings.
2 Members of the board shall not be liable personally on the bonds
3 or other obligations of the authority, and the rights of
4 creditors shall be solely against such authority. The board may
5 delegate to one or more of its agents or employees such of its
6 powers as it shall deem necessary to carry out the purposes of
7 this act, subject always to the supervision and control of the
8 board. The board shall have full authority to manage and operate
9 the business of the authority and to prescribe, amend and repeal
10 by-laws, rules and regulations governing the manner in which the
11 business of the authority may be conducted and the powers
12 granted to it may be exercised and embodied. Copies of such by-
13 laws, rules and regulations shall be filed with the county
14 council of the county incorporating the authority. A member may
15 be removed for cause by the court of common pleas of the county
16 in which the authority is located after having been provided
17 with a copy of the charges against the member for at least ten
18 days and a full hearing by the court.

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

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