

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1505 Session of
2008

INTRODUCED BY SCARNATI, D. WHITE, CORMAN, BROWNE AND WOZNIAK,
JUNE 23, 2008

REFERRED TO TRANSPORTATION, JUNE 23, 2008

AN ACT

1 Amending Titles 74 (Transportation) and 75 (Vehicles) of the
2 Pennsylvania Consolidated Statutes, providing for annual
3 limitation on expenditure from Motor License Fund;
4 establishing the Pennsylvania State Police Fund; further
5 providing for the Public Transportation Trust Fund and for
6 operating program; providing for turnpike operation
7 modernization and improvement; further providing for deposit
8 and distribution of funds; canceling conversion of Interstate
9 80; and further providing for financial plan and for failure
10 to perform.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Title 74 of the Pennsylvania Consolidated
14 Statutes is amended by adding sections to read:

15 § 304. Annual limitation on expenditure from Motor License
16 Fund.

17 Other than the following amount for the fiscal year
18 specified, no funds may be expended or transferred from the
19 Motor License Fund for the purpose of the operations of the
20 Pennsylvania State Police:

21 For the fiscal year beginning July 1, 2008, not more than

1 \$255,000,000.

2 § 305. Pennsylvania State Police Fund.

3 (a) Establishment.--The Pennsylvania State Police Fund is
4 established in the State Treasury. The moneys of the fund are
5 hereby appropriated to the Pennsylvania State Police on a
6 continuing basis for the purposes set forth in this section.

7 (b) Source of funding.--Notwithstanding any other provision
8 of law to the contrary, the following minimum amounts for the
9 fiscal years specified shall be deposited into the fund from
10 moneys collected under Article III of the act of March 4, 1971
11 (P.L.6, No.2), known as the Tax Reform Code of 1971:

12 (1) For the fiscal year beginning July 1, 2008, 2.2% of
13 the amount collected under Article III of the Tax Reform Code
14 of 1971.

15 (2) For the fiscal year beginning July 1, 2009, and each
16 year thereafter, 4.1% of the amount collected under Article
17 III of the Tax Reform Code of 1971.

18 (c) Use of funds.--In addition to any other moneys
19 appropriated or made available to the Pennsylvania State Police
20 for any purpose, the moneys of the fund shall be expended by the
21 Pennsylvania State Police for the purpose of its operations,
22 including, but not limited to, the enforcement of the provisions
23 of 75 Pa.C.S. (relating to vehicles) and other laws on the
24 highways of this Commonwealth.

25 (d) Definition.--For purposes of this section, "fund" means
26 the Pennsylvania State Police Fund established under this
27 section.

28 § 306. Motor License Fund Recovery Account.

29 The following shall apply:

30 (1) For the fiscal year beginning July 1, 2008,

1 \$255,000,000 shall be appropriated to the Motor License Fund
2 Recovery Account in conjunction with the requirements of
3 section 304 (relating to annual limitation on expenditure
4 from Motor License Fund).

5 (2) For the fiscal year beginning July 1, 2009,
6 \$510,000,000 shall be appropriated to the Motor License Fund
7 Recovery Account in conjunction with the requirements of
8 section 304.

9 (3) For the fiscal year beginning July 1, 2010, and each
10 fiscal year thereafter, an amount equal to the amount
11 deposited in the previous year plus a growth factor equal to
12 the growth in the Motor License Fund for the previous fiscal
13 year shall be appropriated to the Motor License Fund Recovery
14 Account in conjunction with the requirements of section 304.

15 Section 2. Sections 1506, 1513(d) and 8121 of Title 74 are
16 amended to read:

17 § 1506. Fund.

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

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

24 (1) The following apply:

25 (i) Except as provided under subparagraph (ii), upon
26 receipt, the department shall deposit into the fund the
27 revenues received by the department under 75 Pa.C.S. Ch.
28 89 (relating to Pennsylvania Turnpike) [and the lease
29 agreement executed between the department and the
30 Pennsylvania Turnpike Commission under 75 Pa.C.S. §

8915.3 (relating to lease of Interstate 80; related agreements)] as follows:

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

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

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

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

(ii) [The deposits made to the fund under this subsection shall equal \$250,000,000 annually for each fiscal year commencing after the expiration of the conversion period if the conversion notice is not received by the secretary prior to expiration of the conversion period as set forth under 75 Pa.C.S. § 8915.3(3)] (Reserved).

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

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

(ii) fares for senior citizens on commuter rail service shall be limited to \$1 per trip and shall be

1 extended to all hours of commuter rail service.

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

4 (1) 4.4% of the amount collected under Article II of the
5 Tax Reform Code. Revenues under this paragraph shall be
6 deposited into the fund by the 20th day of each month for the
7 preceding month. The amount deposited under this paragraph is
8 estimated to be equivalent to the money available to the
9 department from the following sources:

10 (i) The Supplemental Public Transportation Account
11 established under former section 1310.1 (relating to
12 supplemental public transportation assistance funding).

13 (ii) The amount appropriated annually by the
14 Commonwealth from the General Fund for mass transit
15 programs pursuant to a General Appropriations Act.

16 (2) An amount of proceeds of Commonwealth capital bonds
17 as determined annually by the Secretary of the Budget.

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

21 (4) Other appropriations, deposits or transfers to the
22 fund.

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

25 (1) to provide financial assistance through the programs
26 established under this chapter;

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

30 (3) for all other purposes enumerated under this

chapter.

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

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

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

(ii) All revenues deposited in the fund under subsection (b)(2).

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

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

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

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

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

1 (B) For fiscal year 2008-2009, \$100,000,000 from
2 the revenues received by the department under 75
3 Pa.C.S. Ch. 89 [and the lease agreement executed
4 between the department and the Pennsylvania Turnpike
5 Commission under 75 Pa.C.S. § 8915.3]. The amount
6 received by the department under this section shall
7 be deposited into the fund prior to distribution and
8 shall be in addition to the amounts received under
9 subsection (b)(1).

10 (C) For fiscal year 2009-2010, \$150,000,000 from
11 the revenues received by the department under 75
12 Pa.C.S. Ch. 89 [and the lease agreement executed
13 between the department and the Pennsylvania Turnpike
14 Commission under 75 Pa.C.S. § 8915.3]. The amount
15 received by the department under this section shall
16 be deposited into the fund prior to distribution and
17 shall be in addition to the amounts received under
18 subsection (b)(1).

19 (D) For fiscal year 2010-2011 and each fiscal
20 year thereafter, the amount calculated for the prior
21 fiscal year increased by 2.5% from the revenues
22 received by the department under 75 Pa.C.S. Ch. 89
23 [and the lease agreement executed between the
24 department and the Pennsylvania Turnpike Commission
25 under 75 Pa.C.S. § 8915.3]. The amount received by
26 the department under this section shall be deposited
27 into the fund prior to distribution and shall be in
28 addition to the amounts received under subsection
29 (b)(1).

30 (ii) [If the conversion notice is not received by

1 the secretary prior to the end of the conversion period
2 as set forth in 75 Pa.C.S. § 8915.3(3), no additional
3 allocation shall be made under subparagraph (i)]
4 (Reserved).

5 (3) For the program established under section 1516
6 (relating to programs of Statewide significance), 13.24% of
7 the revenues deposited in the fund under subsection (c)(1)
8 shall be allocated from the fund.

9 (4) For the program established under section 1517
10 (relating to capital improvements program), 16.77% of the
11 revenues deposited in the fund under subsection (c)(1).
12 Additional funds for this program may be provided from the
13 funds allocated but not distributed based on the limitation
14 set forth under section 1513(c)(3).

15 § 1513. Operating program.

16 * * *

17 (d) Local match requirements.--

18 (1) For fiscal year 2007-2008 [and each fiscal year
19 thereafter], except as provided under paragraph (2),
20 financial assistance provided under this section shall be
21 matched by local or private cash funding in an amount not
22 less than the greater of:

23 (i) 15% of the amount of the financial assistance
24 being provided; or

25 (ii) the amount required under former section
26 1311(d) (relating to use of funds distributed) for fiscal
27 year 2006-2007.

28 (1.1) For fiscal year 2008-2009 financial assistance
29 provided under this section shall be matched by local or
30 private cash funding in an amount not less than the greater

1 of the amount which was provided in the previous fiscal year
2 or 15%. For fiscal year 2009-2010, and each year thereafter,
3 financial assistance provided under this section shall be
4 matched by local or private cash funding in an amount not
5 less than the greater of the amount which was provided in the
6 previous fiscal year or 18%.

7 (2) (i) Beginning in fiscal year 2007-2008 and [each
8 fiscal year thereafter] as required under paragraph
9 (1.1), if the local matching funds provided are less than
10 [15% of the amount of financial assistance received,] the
11 local transportation organization's required [local
12 matching funds] amount, the local contribution shall
13 increase annually in order to meet the [15%] greater of
14 the requirement set forth under paragraph (1)(i) or
15 (1.1). The local matching funds shall be increased
16 annually by a minimum of 5% above the amount of local
17 matching funds provided in the previous fiscal year
18 unless a lesser amount is necessary to meet the [15%]
19 requirement set forth under paragraph (1)(i)[.] or (1.1).

20 (ii) This paragraph shall expire on June 30, 2010.

21 (3) Eligible local matching funds shall consist only of
22 cash contributions provided by one or more municipalities or
23 counties. The amount of the match and the time period during
24 which the match must continue to be available shall be
25 specified in the financial assistance agreement. Funding
26 provided by local and private entities, including advertising
27 or naming rights, may qualify as local matching funds to the
28 extent they provide for the cost of transit service that is
29 open to the public. The following shall not be considered
30 local matching funds:

1 (i) Any form of transit operating revenue or other
2 forms of transit income provided by the local
3 transportation organization.

4 (ii) Funds used to replace fares.

5 (4) A municipality in a metropolitan area which is a
6 member of a local transportation organization is authorized
7 to provide annual financial assistance from current revenues
8 to the local transportation organization of which it is a
9 member or enter into a long-term agreement for payment of
10 money to assist in defraying the costs of operation,
11 maintenance and debt service of the local transportation
12 organization or of a particular public transportation project
13 of a local transportation organization. The obligation of a
14 municipality under an agreement pursuant to this paragraph
15 shall not be considered to be a part of the indebtedness of
16 the municipality, nor shall the obligation be deemed to
17 impair the status of any indebtedness of the municipality
18 which would otherwise be considered self-sustaining.

19 * * *

20 § 8121. [(Reserved).] Turnpike operation modernization and
21 improvement.

22 (a) Audit and review.--Within 90 days of the effective date
23 of this section, the commission shall undertake an operational
24 review and audit. The review shall be prepared by a private
25 company not currently under contract with the commission which
26 shall be selected by the commission with the approval of the
27 Governor.

28 (b) Scope.--The scope of the review shall include all levels
29 of operations, maintenance, safety enforcement, staffing,
30 contracting, engineering and legal consultant utilization and

organizational structure. The review shall consider as peers other toll road and bridge agencies, the department, not-for-profit port facility operations and service-oriented private corporations with similar operational responsibilities.

(c) Report.--A copy of the final results of the review shall be prepared in the form of a report which shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives and shall be made available to the public on the Pennsylvania Turnpike website.

(d) Response.--Immediately upon completion of the report, the commission shall:

(1) Develop a response and plan of implementation for operational improvements aimed at cost savings and cost containment.

(2) Calculate and verify the potential cash savings to be made available by the adoption of the report recommendations.

(3) Identify recommendations in the report which cannot be implemented by the commission, which shall be enumerated and explained in a public document made available on the Pennsylvania Turnpike website and provided to the President pro tempore of the Senate and the Speaker of the House of Representatives. Items which cannot be implemented due to any Federal or State law shall be provided separately and with citations to the prohibitive statute.

(e) Effect of operational improvement.--Upon implementation of the operational improvements outlined by the report, an additional annual transfer to the Commonwealth shall be required by the commission. The funds made available under this requirement shall be added to the scheduled annual commission

1 contribution.

2 Section 3. Sections 8915.1 and 8915.2 of Title 75 are
3 repealed:

4 [§ 8915.1. Conversion of Interstate 80.

5 In order to facilitate vehicular traffic across this
6 Commonwealth, the commission is authorized and empowered to do
7 all of the following:

8 (1) Convert Interstate 80 to a toll road and maintain
9 and operate it as a toll road.

10 (2) Construct, reconstruct, widen, expand, extend,
11 maintain and operate Interstate 80 from a point at or near
12 the Ohio border to a point at or near the New Jersey border,
13 together with connecting roads, interchanges, slip ramps,
14 tunnels and bridges.

15 (3) Issue turnpike revenue bonds, notes or other
16 obligations, payable solely from revenues of the commission,
17 including tolls, or from funds as may be available to the
18 commission for that purpose, to pay the cost of constructing,
19 reconstructing, widening, expanding or extending Interstate
20 80 or any other costs of Interstate 80 and the Pennsylvania
21 Turnpike.

22 (4) Provide quarterly reports and periodic updates
23 regarding significant developments with respect to the
24 conversion of Interstate 80 to the chairman and minority
25 chairman of the Transportation Committee of the Senate and
26 the chairman and minority chairman of the Transportation
27 Committee of the House of Representatives. These reports
28 shall include, at a minimum, the status of outstanding
29 discussions with the United States Department of
30 Transportation regarding Interstate 80, the location and

1 construction of tolling-related equipment for Interstate 80,
2 planned capital improvements for Interstate 80 and other
3 information important to implementation of this section.

4 § 8915.2. Application to United States Department of
5 Transportation.

6 (a) Application.--The commission, in consultation with the
7 department and at its own expense, is authorized to prepare and
8 submit an application to the United States Department of
9 Transportation for the conversion of Interstate 80 to a toll
10 road. The secretary shall ensure that all information required
11 for the application is made available to the commission as soon
12 as practicable after the effective date of this section.

13 (b) Open system.--A toll system shall consist of what is
14 commonly referred to as an open system with no more than ten
15 toll collection points.

16 (c) Other agreements.--The commission and the department may
17 enter into any other agreements as may be necessary to
18 effectuate the execution of the application filed under this
19 section.]

20 Section 4. Sections 8915.3 and 8915.6 of Title 75 are
21 amended to read:

22 § 8915.3. Lease of Interstate 80; related agreements.

23 The department and the commission shall [enter into a lease
24 agreement relating to Interstate 80 prior to October 15, 2007.
25 The lease agreement shall include provisions setting forth the
26 terms and conditions of the conversion of Interstate 80 to a
27 toll road. The lease agreement and any related agreement, at a
28 minimum, shall include the following:

29 (1) A provision that the term of the lease agreement
30 shall be 50 years, unless extended upon mutual agreement of

1 the parties to the lease agreement and upon approval of the
2 General Assembly.

3 (2) A provision establishing the conversion period and
4 authorizing extension of the conversion period at the sole
5 option of the commission for three one-year extension periods
6 after consultation with the secretary. The commission shall
7 notify the secretary of its intent to extend the conversion
8 period not less than 90 days before the scheduled expiration
9 of the conversion period. During the conversion period, all
10 legal, financial and operational responsibility for
11 Interstate 80 shall remain with the department. All
12 operations and programmed rehabilitation shall be maintained
13 at levels no less favorable than those set forth in the
14 department's 12-year plan at the time of the execution of the
15 lease, with modifications as are approved in writing by the
16 chairman of the commission.

17 (3) A provision permitting the commission to exercise
18 its option to convert Interstate 80 to a toll road prior to
19 the expiration of the conversion period by providing the
20 conversion notice to the secretary. Beginning on the
21 conversion date, all legal, financial and operational
22 responsibility for Interstate 80, as well as all toll
23 revenues subsequently collected with respect to its use,
24 shall automatically transfer to the commission. The
25 secretary, within five business days after receiving the
26 conversion notice, shall forward notice of the conversion
27 date to the Legislative Reference Bureau for publication in
28 the Pennsylvania Bulletin. Any revenues collected prior to
29 the conversion date shall be retained by the department. The
30 commission may contract with the department for any portion

1 of the maintenance of Interstate 80 at cost levels agreed to
2 by the department and the commission.

3 (4) A provision requiring the commission to pay annual
4 base payments to the department during the term of the lease
5 agreement.

6 (5) A provision requiring the commission to pay annual
7 additional payments to the department. The annual additional
8 payments shall be payable in four equal installments on the
9 last business day of each July, October, January and April of
10 each year during the term of the lease agreement.

11 (6) A provision requiring the commission to pay,
12 commencing in the fiscal year including the conversion date,
13 annual surplus payments to the department. The annual surplus
14 payments shall be payable by the commission within 30 days of
15 receipt by the commission of the Auditor General's
16 certificate.

17 (7) A provision stating that the obligation of the
18 commission to pay the annual base payments, the annual
19 additional payments and annual surplus payments shall be a
20 subordinate obligation of the commission payable from amounts
21 in the general reserve fund of the commission only as
22 permitted by any financing documents, financial covenants,
23 liquidity policies or agreements in effect at the
24 commission.] negotiate the dissolution of the lease agreement
25 entered into for the rights to operate Interstate 80 as a
26 toll road.

27 § 8915.6. Deposit and distribution of funds.

28 (a) Deposits.--Upon receipt by the department, the following
29 amounts from the scheduled annual commission contribution and
30 the Motor License Fund Recovery Account shall be deposited in

1 the Motor License Fund:

2 (1) For fiscal year 2007-2008, \$450,000,000.

3 (2) For fiscal year 2008-2009, [\$500,000,000]
4 \$510,000,000.

5 (3) For fiscal year 2009-2010, [\$500,000,000]
6 \$510,000,000.

7 (4) For fiscal year 2010-2011 and each fiscal year
8 thereafter, the amount [calculated for the previous year
9 increased by 2.5%.] available from the Motor License Fund
10 Recovery Account and any additional amount available from the
11 scheduled annual commission contribution.

12 (b) Distribution.--The following shall apply:

13 (1) Annually, 15% of the amount deposited in any fiscal
14 year under subsection (a) shall be distributed at the
15 discretion of the secretary.

16 (2) Annually, \$5,000,000 of the amount deposited in any
17 fiscal year under subsection (a) shall be distributed to
18 counties.

19 (i) The distribution shall be in the ratio of:

20 (A) the square footage of deck area of a
21 county's county-owned bridges; to

22 (B) the total square footage of deck area of
23 county-owned bridges throughout this Commonwealth.

24 (ii) The amount of square footage under subparagraph
25 (i) shall be that reported as part of the National Bridge
26 Inspection Standards Program.

27 (3) Annually, \$30,000,000 of the amount deposited in any
28 fiscal year under subsection (a) shall be distributed to
29 municipalities pursuant to the act of June 1, 1956 (1955
30 P.L.1944, No.655), referred to as the Liquid Fuels Tax

1 Municipal Allocation Law.

2 (4) Any funds deposited under subsection (a) but not
3 distributed under paragraphs (1), (2) and (3) shall be
4 distributed in accordance with needs-based formulas that are
5 developed and subject to periodic revision based on
6 consultation and collaboration among metropolitan planning
7 organizations, rural planning organizations and the
8 department.

9 (c) Definitions.--The following words and phrases when used
10 in this section shall have the meanings given to them in this
11 subsection unless the context clearly indicates otherwise:

12 "Metropolitan planning organization." The policy board of an
13 organization created and designated to carry out the
14 metropolitan transportation planning process.

15 "Rural planning organization." The organization of counties
16 with populations of less than 50,000 created and designated as
17 local development districts and which carry out the rural
18 transportation planning process.

19 Section 5. Section 8915.7 of Title 75 is repealed:

20 [§ 8915.7. Impact on associated highways and local roads.

21 Prior to the conversion date and within one year following
22 the conversion date, the commission, in collaboration with the
23 department, shall conduct traffic studies to determine the
24 average daily traffic on associated roads and highways. The
25 purpose of these studies will be to quantify any diversion of
26 traffic from Interstate 80 to other roadways as a result of the
27 conversion. This section shall not require duplication of
28 traffic studies undertaken by the commission as a part of the
29 conversion process or undertaken by the department as a normal
30 course of the department's operations.]

Section 6. Sections 8917 and 8918 of Title 75 are amended to read:

§ 8917. Financial plan.

(a) Submission.--

(1) No later than June 1 of each year, the commission shall prepare and provide to the Secretary of the Budget a financial plan for the ensuing fiscal year of the commission that describes the commission's proposed:

(i) operating and capital expenditures;

(ii) borrowings;

(iii) liquidity and other financial management covenants and policies;

(iv) estimated toll rates; and

(v) all other revenues and expenditures.

(2) The financial plan shall demonstrate that the operation of the commission in accordance with the plan can reasonably be anticipated to result in the commission having unencumbered funds during the ensuing and future fiscal years of the commission sufficient to make the payments due to the department under this chapter and the lease agreement for the ensuing and future fiscal years after all other obligations of the commission have been met. Financial plans prepared after June 1, 2008, shall also describe any deviations that occurred from the financial plan for the prior fiscal year of the commission and the reasons for the deviations.

(b) Receipt.--If the Secretary of the Budget receives the financial plan by the date required under subsection (a), the commission shall be authorized to conduct its operations in accordance with the plan. The financial plan may not be amended by the commission unless the commission notifies the secretary

1 in writing of the amendment.

2 (c) Cooperation.--The commission shall provide to the
3 Secretary of the Budget all information requested in connection
4 with review of a financial plan, including materials used to
5 prepare the plan. The information shall be provided as soon as
6 practicable after the request.

7 (d) Effect of provisions.--Nothing in this section shall be
8 deemed to prevent the commission from conducting its normal
9 course of business or prevent the commission from complying with
10 any covenants made to current bondholders, debt holders or
11 creditors.

12 [(e) Lease agreement.--The provisions of this section and
13 section 8918 (relating to failure to perform) shall be included
14 in the lease agreement.]

15 § 8918. Failure to perform.

16 (a) Notice.--The Secretary of the Budget shall send written
17 notice to the commission and to the Governor of the failure of
18 the commission to do any of the following:

19 (1) Make a payment to the department under this chapter
20 [or the lease agreement].

21 (2) Deliver a financial plan to the Secretary of the
22 Budget within the time prescribed under section 8917
23 (relating to financial plan).

24 (b) Unanimous vote required.--

25 (1) Except as provided under paragraph (1.1), upon the
26 receipt by the commission of the notice under subsection (a)
27 and notwithstanding any other provision of law, action of the
28 commission taken by vote of the commissioners shall require a
29 unanimous vote of all commissioners. Violation of this
30 paragraph shall render the action invalid.

1 (1.1) A unanimous vote shall not be required if it would
2 prevent the commission from complying with any covenants made
3 to current bondholders, debt holders or creditors.

4 (2) The requirement of paragraph (1) shall continue
5 until:

6 (i) the required payments have been made to the
7 department or the required financial plan has been
8 delivered; and

9 (ii) the Secretary of the Budget has notified the
10 commission and the Governor of that fact.

11 Section 7. This act shall take effect immediately.