

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2500 Session of
2010

INTRODUCED BY PALLONE, CREIGHTON, GODSHALL, HORNAMAN, JOSEPHS,
METZGAR, SAINATO AND SEIP, OCTOBER 4, 2010

REFERRED TO COMMITTEE ON TRANSPORTATION, OCTOBER 4, 2010

AN ACT

1 Amending Titles 74 (Transportation) and 75 (Vehicles) of the
2 Pennsylvania Consolidated Statutes, repealing provisions
3 relating to sustainable mobility options and the Pennsylvania
4 Turnpike in Title 74 and relating to the Pennsylvania
5 Turnpike and taxes for highway maintenance and construction
6 in Title 75.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Chapter 15 heading, sections 1501, 1502, 1503,
10 1504, 1505, 1506, 1507, 1508, 1509, 1510, 1511, 1512, 1513,
11 1514, 1515, 1516, 1517, 1518, 1519 and 1520, Chapter 81 heading
12 and sections 8101, 8102, 8103, 8104, 8105, 8106, 8107, 8108,
13 8109, 8110, 8111, 8112, 8113, 8114, 8115, 8116, 8117, 8118,
14 8119, 8120, 8121, 8122 and 8123 of Title 74 of the Pennsylvania
15 Consolidated Statutes are repealed:

16 [CHAPTER 15

17 SUSTAINABLE MOBILITY OPTIONS

18 § 1501. Scope of chapter.

19 This chapter relates to sustainable mobility options.

20 § 1502. (Reserved).

1 § 1503. 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 "Access to jobs project." A project relating to the
6 development and maintenance of transportation services designed
7 to transport welfare recipients and eligible low-income
8 individuals to and from jobs and activities related to their
9 employment as defined under 49 U.S.C. § 5316 (relating to job
10 access and reverse commute formula grants).

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

13 "Asset maintenance costs." All vehicle maintenance expenses,
14 nonvehicle maintenance and materials expenses and the cost of
15 supplies used in the operation of local transportation
16 organizations and transportation companies.

17 "Award recipient." A recipient of financial assistance under
18 this chapter.

19 "Base operating allocation." The total amount of State
20 operating assistance, reimbursement in lieu of fares for senior
21 passengers and other assistance which was used for operating
22 assistance as determined by the department in fiscal year
23 2005-2006.

24 "Capital expenditures." All costs of capital projects,
25 including, but not limited to, the costs of acquisition,
26 construction, installation, start-up of operations, improvements
27 and all work and materials incident thereto.

28 "Capital project." A system or component of a system for the
29 provision of public passenger transportation. The term includes
30 vehicles; infrastructure power; passenger amenities; storage and

1 maintenance buildings; parking facilities; the land on which any
2 capital project is situated and the land needed to support it,
3 whether owned in whole or in part; overhaul of vehicles; debt
4 service; and the cost of issuance of bonds, notes and other
5 evidences of indebtedness which a local transportation
6 organization or transportation company is permitted to issue
7 under any law of this Commonwealth.

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

11 "Community transportation service" or "shared ride service."
12 Door-to-door demand transportation that is available to the
13 general public on a nonexclusive basis, operates on a nonfixed
14 route basis and charges a fare to all riders. The term does not
15 include exclusive ride taxi service, charter and sightseeing
16 service, nonpublic transportation, school bus and limousine
17 service.

18 "Community transportation system." A person that provides
19 community transportation service and contracts with the
20 Department of Transportation to receive revenue replacement
21 funds.

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

24 "Financial assistance." Grants or other types of financial
25 support provided by the Department of Transportation under this
26 chapter.

27 "Fixed guideway system." A fixed-route public transportation
28 service that uses and occupies a separate right-of-way or rail
29 line for the exclusive use of public transportation and other
30 high-occupancy vehicles or uses a fixed catenary system and a

1 right-of-way usable by other forms of transportation. The term
2 includes light rail, commuter rail, automated guideway transit,
3 people movers, ferry boat service and fixed guideway facilities
4 for buses such as bus rapid transit and high-occupancy vehicles.

5 "Fixed-route public transportation service." Regularly
6 scheduled general public transportation that is provided
7 according to published schedules along designated routes, with
8 specified stopping points for the taking on and discharging of
9 passengers, including public bus and commuter rail systems and
10 other department-approved service. The term does not include
11 exclusive ride taxi service, charter or sightseeing service,
12 nonpublic transportation, school bus and limousine service.

13 "Fund." The Public Transportation Trust Fund established
14 under section 1506 (relating to fund).

15 "Intercity bus service." Passenger bus service of 35 miles
16 or more in length that is provided with an over-the-road bus and
17 operated between two noncontiguous urbanized areas, between an
18 urbanized area located in one county and rural communities
19 located in another county, or between rural communities located
20 in different counties and contains all of the following
21 elements:

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

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

27 "Intercity passenger rail service." Passenger railroad
28 service that connects two or more urbanized areas and is
29 determined by the Department of Transportation to qualify as
30 intercity service rather than commuter rail service.

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

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

4 (1) A political subdivision or a public transportation
5 authority, port authority or redevelopment authority,
6 organized under the laws of this Commonwealth or pursuant to
7 an interstate compact or otherwise empowered to render,
8 contract for the rendering or assist in the rendering of
9 transportation service in a limited area in this
10 Commonwealth, even though it may also render or assist in
11 rendering transportation service in adjacent states.

12 (2) A nonprofit association that directly or indirectly
13 provides public transportation service.

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

16 "Materials and supplies." Those categories of expenses as
17 specified in Uniform System of Accounts expense object class
18 504, National Transit Database operating expenses form F 30,
19 National Transit Database, Final Rule, Federal Transit
20 Administration, dated January 15, 1993, or any successor.

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

24 "New Freedom Program." A public transportation program
25 designed to provide funds to recipients for new public
26 transportation services and public transportation alternatives
27 beyond those required by the Americans with Disabilities Act of
28 1990 (Public Law 101-336, 104 Stat. 327) that assist individuals
29 with disabilities with transportation, including transportation
30 to and from jobs and employment support services administered

1 under the provisions of 49 U.S.C. § 5317 (relating to New
2 Freedom Program).

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

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

9 "Nonvehicle maintenance expenses." The categories of costs
10 associated with the inspection, maintenance and repair of
11 assets, other than vehicles, as specified in Uniform System of
12 Accounts, expense function 042, National Transit Database
13 operating expenses form F 30, National Transit Database, Final
14 Rule, Federal Transit Administration, dated January 15, 1993, or
15 any successor.

16 "Operating expenses." Total expenses required to continue
17 service to the public and to permit needed improvements in
18 service which are not self-supporting and otherwise for any
19 purpose in furtherance of public passenger transportation,
20 including all State asset maintenance costs. The term does not
21 include expenditures for capital projects unless specific
22 approval is provided by the Department of Transportation.

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

26 (1) Passenger fares.

27 (2) Reimbursements provided in lieu of fares for senior
28 passengers.

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

30 (4) Other miscellaneous revenue such as public and

private route guarantee funds.

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

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

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

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

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

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

"Revenue replacement funds." Payments made to local

1 transportation organizations and transportation companies to
2 offset or partially offset fares.

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

9 "Revenue vehicle miles." The total amount of distance
10 calculated in miles during which vehicles are in service and
11 available for public use in fixed-route public transportation
12 service or paratransit service with respect to the most recent
13 fiscal year as reported in the most recent Public Passenger
14 Transportation Performance Report. The term does not include
15 deadhead miles.

16 "Reverse commute project." A public transportation project
17 designed to transport residents of urbanized and nonurbanized
18 areas to suburban employment opportunities as defined under 49
19 U.S.C. § 5316 (relating to job access and reverse commute
20 formula grants).

21 "Secretary." The Secretary of Transportation of the
22 Commonwealth.

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

24 "Senior passenger." A senior citizen who rides on fixed-
25 route service.

26 "Senior passengers." The number of senior passengers
27 transported by a local transportation organization with respect
28 to the most recent fiscal year as reported in the most recent
29 Public Passenger Transportation Performance Report.

30 "Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),

1 known as the Tax Reform Code of 1971.

2 "Transportation company." A person that renders public
3 passenger transportation service.

4 "Urbanized area." A portion of this Commonwealth classified
5 as urbanized by the United States Bureau of the Census of the
6 United States Department of Commerce in the most recent Census
7 of Population.

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

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

17 § 1504. Department authorization.

18 (a) General.--The department may, within the limitations
19 provided in this chapter, incur costs directly and provide
20 financial assistance for the purposes and activities enumerated
21 in this chapter.

22 (b) Supplementation of Federal and local funds.--The
23 authority conferred on the department by this chapter includes
24 providing financial assistance for public passenger
25 transportation purposes and supplementing Federal funding or
26 local funding or both.

27 § 1505. Regulations.

28 (a) General rule.--To effectuate and enforce the provisions
29 of this chapter, the department shall promulgate necessary rules
30 and regulations and prescribe conditions and procedures in order

1 to assure compliance in carrying out the purposes for which
2 financial assistance may be provided under this chapter.

3 (b) Temporary regulations.--

4 (1) Unless otherwise provided in this chapter, in order
5 to facilitate the prompt implementation of this chapter,
6 during the two-year period following the effective date of
7 this section, the department shall promulgate temporary
8 regulations which shall expire four years from the effective
9 date of this section. The temporary regulations shall be
10 exempt from the following:

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

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

16 (2) The authority of the department to promulgate
17 temporary regulations under this subsection shall expire two
18 years from the effective date of this section. Regulations
19 adopted after the two-year period shall be promulgated as
20 provided by statute.

21 § 1506. Fund.

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

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

28 (1) The following apply:

29 (i) Except as provided under subparagraph (ii), upon
30 receipt, the department shall deposit into the fund the

revenues received by the department under 75 Pa.C.S. Ch. 89 (relating to Pennsylvania Turnpike) and the lease agreement executed between the department and the 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).

(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

1 passengers during the provider's regular hours of
2 service; and

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

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

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

14 (i) The Supplemental Public Transportation Account
15 established under former section 1310.1 (relating to
16 supplemental public transportation assistance funding).

17 (ii) The amount appropriated annually by the
18 Commonwealth from the General Fund for mass transit
19 programs pursuant to a General Appropriations Act.

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

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

25 (4) Other appropriations, deposits or transfers to the
26 fund.

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

29 (1) to provide financial assistance through the programs
30 established under this chapter;

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

4 (3) for all other purposes enumerated under this
5 chapter.

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

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

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

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

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

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

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

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

26 (A.1) For fiscal year 2007-2008, \$50,000,000
27 from the revenues received by the department under 75
28 Pa.C.S. Ch. 89 and the lease agreement executed
29 between the department and the Pennsylvania Turnpike
30 Commission under 75 Pa.C.S. § 8915.3. The amount

1 received by the department under this section shall
2 be deposited into the fund prior to distribution and
3 shall be in addition to the amounts received under
4 subsection (b)(1).

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

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

23 (D) For fiscal year 2010-2011 and each fiscal
24 year thereafter, the amount calculated for the prior
25 fiscal year increased by 2.5% from the revenues
26 received by the department under 75 Pa.C.S. Ch. 89
27 and the lease agreement executed between the
28 department and the Pennsylvania Turnpike Commission
29 under 75 Pa.C.S. § 8915.3. The amount received by the
30 department under this section shall be deposited into

1 the fund prior to distribution and shall be in
2 addition to the amounts received under subsection
3 (b) (1) .

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

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

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

18 § 1507. Application and approval process.

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

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

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

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

28 (4) A statement as to the particular need for the
29 financial assistance.

30 (5) A certified copy of a current resolution authorizing

1 submission of the application if the applicant is a governing
2 body.

3 (6) Evidence satisfactory to the department of the
4 commitment for matching funds required under this chapter
5 sufficient to match the projected financial assistance
6 payments at the same times that the financial assistance
7 payments are to be provided.

8 (7) Any other information the department deems necessary
9 or desirable.

10 (b) Approval and award.--Upon determining that an applicant
11 has complied with this chapter, applicable rules and regulations
12 and any other requirement with respect to the financial
13 assistance requested, the department may award financial
14 assistance to the applicant. If the department awards financial
15 assistance to the applicant, the department and the applicant
16 shall enter into a financial assistance agreement setting forth
17 the terms and conditions governing the use of the financial
18 assistance and the timing of payment of the funds. The
19 department shall develop guidelines for the application for and
20 awarding of financial assistance under this chapter and shall
21 forward them to the Legislative Reference Bureau for publication
22 in the Pennsylvania Bulletin.

23 (c) Restriction on use of funds.--Financial assistance under
24 this chapter shall be used only for activities set forth under
25 the financial assistance agreement unless the department grants
26 the award recipient a waiver allowing the funds to be used for a
27 different purpose. The department's regulations shall describe
28 circumstances under which it will consider waiver requests and
29 shall set forth all information to be included in a waiver
30 request. The maximum duration of a waiver shall be one year, and

1 a waiver request shall include a plan of corrective action to
2 demonstrate that the award recipient does not have an ongoing
3 need to use financial assistance funds for activities other than
4 those for which funds were originally awarded.

5 § 1508. Federal funding.

6 (a) General rule.--The department shall administer the
7 programs established under this chapter in a manner that permits
8 full cooperation between Federal, State and local governments,
9 agencies and instrumentalities, local transportation
10 organizations and private interests, so as to result in as
11 effective and economical a program as possible.

12 (b) Agreements.--The department may enter into agreements
13 for mutual cooperation between or among the department and a
14 Federal agency, local transportation organization or
15 transportation company concerning a project to be funded with
16 financial assistance under this chapter, including joint
17 applications for Federal grants.

18 (c) General authority of department.--The department may do
19 anything necessary or desirable to secure financial aid or
20 cooperation of a Federal agency for a project funded with
21 financial assistance under this chapter and to comply with a
22 Federal statute or lawful requirement of a Federal agency
23 authorized to administer a program of Federal aid to
24 transportation. The department may enter into a protective
25 agreement with organized labor to the extent required under 49
26 U.S.C. § 5333 (relating to labor standards) in order to obtain
27 Federal grant money for transportation assistance. Protective
28 agreements shall be narrowly drawn and strictly construed to
29 provide no more than the minimum protections required by the
30 United States Department of Labor for the agreements.

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

§ 1509. 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 a regulatory body of this Commonwealth or any other jurisdiction.

§ 1510. Program oversight and administration.

(a) Review and oversight.--The department shall initiate and maintain a program of financial and performance review and oversight for all programs receiving financial assistance under this chapter. The department may perform independent financial audits of each award recipient to ensure compliance by award recipients with this chapter, department regulations and policies and financial assistance agreements. Audits shall be conducted in accordance with generally accepted auditing standards.

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

§ 1511. Report to Governor and General Assembly.

The following shall apply:

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

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

§ 1512. Coordination.

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

§ 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.

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

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

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

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

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

1 (B) Ten percent of the award amount shall be
2 based on the number of senior passengers to offset
3 free fares for senior passengers. The actual amount
4 received by each local transportation organization
5 under this clause shall be calculated as follows:

6 (I) Multiply the total amount of funding
7 available for distribution under this paragraph
8 by 0.10.

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

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

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

20 (I) Multiply the total amount of funding
21 available for distribution under this paragraph
22 by 0.35.

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

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

29 (D) Thirty percent of the award amount shall be
30 based on the number of revenue vehicle miles. The

1 actual amount received by each local transportation
2 organization under this clause shall be calculated as
3 follows:

4 (I) Multiply the total amount of funding
5 available for distribution under this paragraph
6 by 0.30.

7 (II) Multiply the product under subclause
8 (I) by the local transportation organization's
9 number of revenue vehicle miles.

10 (III) Divide the product under subclause
11 (II) by the total number of revenue vehicle miles
12 for all local transportation organizations.

13 (3) For the 2007-2008 fiscal year, no local
14 transportation organization shall receive total financial
15 assistance under this subsection that would be more than 50%
16 higher than the amount it receives under paragraph (2)(i).
17 For each subsequent fiscal year, the increase in the total
18 financial assistance provided to each local transportation
19 organization shall not exceed 20% of the prior year
20 allocation.

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

24 (d) Local match requirements.--

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

30 (i) 15% of the amount of the financial assistance

1 being provided; or

2 (ii) the amount required under former section
3 1311(d) (relating to use of funds distributed) for fiscal
4 year 2006-2007.

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

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

25 (i) Any form of transit operating revenue or other
26 forms of transit income provided by the local
27 transportation organization.

28 (ii) Funds used to replace fares.

29 (4) A municipality in a metropolitan area which is a
30 member of a local transportation organization is authorized

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

13 (e) Performance reviews.--

14 (1) The department may conduct performance reviews of an
15 award recipient under this section to determine the
16 effectiveness of the financial assistance. Reviews shall be
17 conducted at regular intervals as established by the
18 department in consultation with the management of the award
19 recipient. After completion of a review, the department shall
20 issue a report that:

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

23 (ii) assesses performance, efficiency and
24 effectiveness of the use of the financial assistance;

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

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

30 (2) The department shall deliver the report to the

1 Governor, to the chairman and minority chairman of the
2 Transportation Committee of the Senate and to the chairman
3 and minority chairman of the Transportation Committee of the
4 House of Representatives. The department's regulations shall
5 contain a description of the impact on both the amount of,
6 and future eligibility for, financial assistance under this
7 chapter based upon the degree to which the local
8 transportation organization complies with the recommendations
9 in the report. The department shall develop a list of best
10 practices revealed by the reports issued under this
11 subsection and shall post them on the department's Internet
12 website.

13 (f) Performance criteria.--Criteria used for the reviews
14 conducted under subsection (e) shall consist of passengers per
15 revenue vehicle hour, operating costs per revenue vehicle hour,
16 operating revenue per revenue vehicle hour, operating costs per
17 passenger and other items as the department may establish. The
18 department's regulations shall set forth the minimum system
19 performance criteria based upon comparison of the award
20 recipient to its past performance and to its peers that an award
21 recipient must satisfy.

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

23 (1) If a performance review conducted under subsection
24 (e) reveals that the performance of an award recipient's
25 transportation system has decreased compared to performance
26 determined through a prior review, the department may, upon
27 the written request of an award recipient, waive any
28 requirement for a reduction in the amount of financial
29 assistance to be awarded under this section for a reasonable
30 time period to allow the award recipient to bring the system

1 back to the required performance level. The award recipient
2 shall provide written justification for providing a time
3 period longer than two years. In order to obtain the waiver
4 for the period requested, the award recipient must do all of
5 the following:

6 (i) Develop an action plan to improve system
7 performance that contains key measurable milestones. The
8 action plan must be acceptable to the department and must
9 be approved by the department in writing.

10 (ii) Submit quarterly progress reports on the action
11 plan to the department.

12 (2) The department shall review and evaluate the award
13 recipient's progress to determine if the system has improved.
14 If the system has improved, the award recipient will remain
15 eligible for full formula funding as determined under
16 subsection (c). If the system has not improved by the end of
17 the waiver period, the waiver will be withdrawn. Expenses
18 incurred by the award recipient as a result of the failure of
19 the award recipient's system to meet the minimum performance
20 criteria shall be borne by the award recipient.

21 (h) Adjustments to minimum performance criteria.--Upon
22 written request of an award recipient, the department may adjust
23 the minimum performance criteria described in subsection (g) in
24 a given year if the performance of the award recipient's system
25 is adversely affected by circumstances which are beyond the
26 award recipient's control. Examples are labor strikes,
27 infrastructure failures and natural disasters. The request must
28 include the award recipient's reasons for seeking the
29 adjustment.

30 § 1514. Asset improvement program.

1 (a) Eligible applicants.--

2 (1) The following may apply for financial assistance for
3 improvement, replacement or expansion of capital projects
4 under this section:

5 (i) A local transportation organization.

6 (ii) An agency or instrumentality of the
7 Commonwealth.

8 (iii) A person responsible for coordinating
9 community transportation program services.

10 (iv) Any other person the department deems to be
11 eligible.

12 (2) The department shall develop and maintain four-year
13 and 12-year plans that summarize the capital projects and
14 financial assistance commitments for each applicant. The
15 department may enter into multiyear agreements to provide
16 financial assistance for capital projects based upon cash
17 flow and revenue projections for the fund. Each capital
18 project shall be based on the plan developed by the
19 department.

20 (b) Applications.--In addition to information required under
21 section 1507 (relating to application and approval process), an
22 application for financial assistance under this section shall
23 include the following:

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

28 (2) If an applicant is requesting financial assistance
29 for replacement of a capital project, evidence satisfactory
30 to the department that the capital project to be replaced has

1 exceeded the useful life criteria as defined by the
2 department. At its discretion, the department may approve
3 funding to replace a capital project that does not exceed the
4 useful life criteria if the applicant provides documentation
5 acceptable to the department to justify the early replacement
6 of the capital project.

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

11 (4) Any other information required by the department,
12 including a return on investment analysis or a life cycle
13 cost analysis, or both.

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

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

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

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

30 (3) The department has approved the underlying

1 application for the capital project.

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

7 (1) Requests for funds required to support existing
8 local bond issues currently supported with State revenue
9 sources, such as debt service and asset leases. The
10 Commonwealth pledges to and agrees with any person, firm or
11 corporation holding any bonds previously issued by, or any
12 other debt incurred by, a local transportation organization
13 and secured in whole or part by a pledge of the funds
14 provided to the local transportation organization from the
15 fund that the Commonwealth will not limit or alter rights
16 vested in a local transportation organization in any manner
17 inconsistent with obligations of the local transportation
18 organization to the obligees of the local transportation
19 organization until all bonds previously issued or other debt
20 incurred, together with the interest thereon, is fully paid
21 or provided for.

22 (2) Requests for funds required to match federally
23 approved capital projects funded under 49 U.S.C. §§ 5307
24 (relating to urbanized area formula grants) and 5309
25 (relating to capital investment grants and loans) and other
26 federally approved capital projects.

27 (3) Other non-Federal capital projects as determined by
28 the department, which shall be further subject to the
29 following set of priorities in descending order of
30 significance:

1 (i) Essential emergency asset improvement projects.

2 (ii) Standard replacement of existing assets that
3 have exceeded their useful life.

4 (iii) Asset improvement projects to extend the
5 useful life of the affected assets.

6 (iv) Acquisition of new assets and other acceptable
7 purposes, other than projects to be funded under the new
8 initiatives program described in section 1515 (relating
9 to new initiatives program), as determined by the
10 department.

11 (f) Bonding by award recipients.--With the approval of the
12 department, an award recipient that is permitted by law to issue
13 bonds may do so for the purpose of financing a multiyear capital
14 project. The department shall enter into an agreement with the
15 award recipient providing that payments of the awarded funds
16 sufficient to satisfy requirements of the bonds issued be made
17 directly to the trustee of the bondholders until such time as
18 the bonds are retired.

19 § 1515. New initiatives program.

20 (a) Eligible applicants.--Persons eligible to apply for
21 financial assistance under section 1514 (relating to asset
22 improvement program) shall also be eligible to apply for
23 financial assistance for new or expansions of fixed guideway
24 systems under this section.

25 (b) Applications.--In addition to the information required
26 under section 1507 (relating to application and approval
27 process), an application for financial assistance under this
28 section shall include all of the information required in an
29 application for financial assistance under section 1514. If the
30 application is for a proposed expansion of a capital project,

1 the application shall also include evidence satisfactory to the
2 department that the applicant will have sufficient future annual
3 operating funds to support the proposed expansion.

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

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

9 (2) In awarding financial assistance under this section,
10 the department shall give priority to applicants that intend
11 to use the funds to satisfy the local matching portion of
12 federally approved New Starts projects funded pursuant to 49
13 U.S.C. § 5309 (relating to capital investment grants and
14 loans). The department may fund projects that do not receive
15 funding from the Federal New Starts Program if the applicant
16 can provide sufficient evidence that the project can meet all
17 of the following requirements:

18 (i) Investments in existing service areas have been
19 optimized.

20 (ii) An analysis reveals a reasonable return on
21 investment.

22 (iii) The public benefit of the project has been
23 identified.

24 (iv) There exists a local dedicated funding commitment
25 to pay any required local match for the project and ongoing
26 operating costs.

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

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

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

7 § 1516. Programs of Statewide significance.

8 (a) General rule.--Money in the fund allocated for programs
9 of Statewide significance shall be used by the department to
10 support public transportation programs, activities and services
11 not otherwise fully funded through the operating program,
12 capital program or asset improvement program. In addition to any
13 requirements contained in this section, applications must comply
14 with section 1507 (relating to application and approval
15 process). Programs of Statewide significance shall include:

- 16 (1) The Persons with Disabilities Program.
- 17 (2) Intercity passenger rail and bus services.
- 18 (3) Community transportation capital and service
19 stabilization.
- 20 (4) The Welfare-to-Work Program and matching funds for
21 Federal programs with similar intent.
- 22 (5) Demonstration and research projects.
- 23 (6) Technical assistance.
- 24 (7) Other programs as determined by the department.
- 25 (8) The department's costs under sections 1510(b)
26 (relating to program oversight and administration) and 1518
27 (relating to program oversight and administration).

28 (b) Persons with disabilities.--The department shall
29 establish and administer a program providing reduced fares to
30 persons with disabilities on community transportation services

1 and to provide financial assistance for start-up, administrative
2 and capital expenses related to reduced fares for persons with
3 disabilities. All of the following shall apply:

4 (1) A community transportation system operating in the
5 Commonwealth other than in counties of the first and second
6 class may apply for financial assistance under this
7 subsection.

8 (2) The department may award financial assistance under
9 this subsection for program start-up and for continuing
10 capital expenses to offset administrative and capital
11 expenses. For community transportation trips made by eligible
12 persons with disabilities, financial assistance may be
13 awarded to an eligible community transportation system to
14 reimburse the system for up to 85% of the fare established
15 for the general public for each trip which is outside of
16 fixed-route and paratransit service areas and not eligible
17 for funding from any other program or funding source. The
18 person making the trip or an approved third-party sponsor
19 shall contribute the greater of 15% of the fare established
20 for the general public or the Americans with Disabilities Act
21 complementary paratransit fare.

22 (c) Intercity transportation.--The department is authorized
23 to provide financial assistance for an efficient and coordinated
24 intercity common carrier surface transportation program,
25 consisting of both intercity passenger rail service and
26 intercity bus service transportation, with the intent of
27 sustaining strong intercity connections. All of the following
28 shall apply:

29 (1) An intercity passenger rail service provider, a
30 local transportation organization, an agency or

1 instrumentality of the Commonwealth or a transportation
2 company that provides intercity public transportation service
3 may apply for financial assistance under this subsection. The
4 department is authorized to enter into joint service
5 agreements with a railroad company, any other agency or
6 instrumentality of the Commonwealth, a Federal agency or an
7 agency or instrumentality of any other jurisdiction relating
8 to property, buildings, structures, facilities, services,
9 rates, fares, classifications, dividends, allowances or
10 charges, including charges between intercity rail passenger
11 service facilities, or rules or regulations pertaining
12 thereto, for or in connection with or incidental to
13 transportation in whole or in part upon intercity rail
14 passenger service facilities.

15 (2) Operating assistance and capital assistance may be
16 provided for intercity bus service and intercity passenger
17 rail service as determined by the department.

18 (3) For financial assistance to a transportation
19 company, eligible matching funds shall consist only of cash
20 income generated by the transportation company from its
21 activities, other than the provision of subsidized public
22 passenger transportation service and contributed by the
23 transportation company in the amount and for the time period
24 specified in the financial assistance agreement.

25 (4) Local match requirements are as follows:

26 (i) For intercity bus service operating and capital
27 assistance, financial assistance shall require a local
28 match by local or private cash funding in an amount equal
29 to at least 100% of the amount of the financial
30 assistance being provided.

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

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

10 (d) Community transportation.--

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

13 (i) Capital expenditures for the provision of
14 community transportation service; and

15 (ii) service stabilization, including:

16 (A) Stabilizing current service and fares.

17 (B) Providing advice or technical assistance to
18 analyze and enhance community transportation system
19 resources and services.

20 (C) Maximizing available funding including
21 Federal dollars.

22 (D) Ensuring equitable cost sharing.

23 (2) Subject to the limitations of this subsection, the
24 following may apply for financial assistance under this
25 subsection:

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

28 (ii) A transportation company designated by the
29 governing body of the county as the coordinator of
30 community transportation service.

1 (iii) An agency or instrumentality of the
2 Commonwealth.

3 (2.1) Each eligible applicant shall be subject to all of
4 the following requirements:

5 (i) An applicant for financial assistance for
6 capital expenditures for the provision of public
7 community transportation service shall certify to the
8 department that it has taken all reasonable steps to
9 coordinate local service for the elderly and persons with
10 disabilities and that the services to be offered with the
11 capital assets do not duplicate existing fixed-route
12 services.

13 (ii) The governing body of a county or the
14 coordinator described under this paragraph shall not be
15 eligible for financial assistance for service
16 stabilization if any of the following apply:

17 (A) The coordinator receives financial
18 assistance under the operating program established
19 under this chapter.

20 (B) The coordinator is a private for-profit
21 provider.

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

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

25 (ii) Technology investment.

26 (iii) Training programs designed to enhance
27 transportation management and staff expertise.

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

30 (v) Marketing activities.

1 (vi) Other stabilization purposes approved by the
2 department.

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

7 (5) The department shall conduct a study to evaluate the
8 effectiveness and efficiency of community transportation
9 service delivery as it relates to human service programs. The
10 Department of Public Welfare, the Office of the Budget and
11 the Department of Aging and other appropriate Commonwealth
12 agencies identified by the department shall participate in
13 the study. Within two years following the effective date of
14 this section, these agencies shall make recommendations to
15 the Governor and the Majority and Minority chairpersons of
16 the Transportation Committee of the Senate and the Majority
17 and Minority chairpersons of the Transportation Committee of
18 the House of Representatives for improving coordination and
19 efficiency of human services and community transportation.

20 (d.1) Welfare-to-work and Federal programs match.--The
21 department is authorized to provide financial assistance under
22 this section to design and implement projects and services and
23 to reimburse award recipients for the expenses associated with
24 the projects and services that identify and address public
25 passenger transportation and related barriers preventing
26 individuals eligible for participation in the Federal welfare-
27 to-work program from securing and maintaining employment and
28 from accessing community services and facilities. All of the
29 following shall apply:

30 (1) A local transportation organization, a

1 transportation company designated by a county as the
2 coordinator of community transportation services or any other
3 person approved by the department may apply to the department
4 for financial assistance under this subsection.

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

- 7 (i) Fixed-route service subsidy.
- 8 (ii) Contracted transportation services.
- 9 (iii) Fixed-route fare discounts.
- 10 (iv) Community transportation fare discounts.
- 11 (v) Taxi fare discounts.
- 12 (vi) Mileage reimbursement.
- 13 (vii) Vehicle purchase, insurance, maintenance and
14 repair.
- 15 (viii) Driver education classes.
- 16 (ix) Administrative expenses.
- 17 (x) Case management expenses.
- 18 (xi) Any other activities consistent with the
19 transportation related elements of the welfare-to-work
20 program.

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

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

- 30 (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 shall not be provided for more than three fiscal years. Financial assistance may be provided to meet any short-term emergency need that requires immediate attention and cannot be funded through other sources.

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

§ 1517. Capital improvements program.

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

(b) Applications.--The department shall establish the contents of the application for the program established under this section. The information shall be in addition to information required under section 1507 (relating to application

1 and approval process).

2 (c) Distribution formula.--The department shall award
3 financial assistance under this section based on the number of
4 passengers. The actual amount awarded to a local transportation
5 organization under this subsection shall be calculated as
6 follows:

7 (1) Multiply the local transportation organization's
8 passengers by the total amount of funding available under
9 this section.

10 (2) Divide the product under paragraph (1) by the sum of
11 the passengers for all qualifying local transportation
12 organizations.

13 (d) Payments.--Financial assistance under this section shall
14 be paid to local transportation organizations at least
15 quarterly.

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

21 § 1518. Program oversight and administration.

22 The department is authorized to use available money in the
23 fund to cover the costs incurred by the department in
24 administering all of its public passenger transportation funding
25 programs, including those established under this chapter, and
26 incurred in the carrying out of its responsibilities with
27 respect to the programs.

28 § 1519. Retroactive authority.

29 (a) Date of project.--Financial assistance may be awarded
30 under this chapter by the department with reference to an

1 appropriate project irrespective of when it was first commenced
2 or considered and regardless of whether costs with respect to
3 the project were incurred prior to the time the financial
4 assistance is applied for or provided.

5 (b) Capital projects.--

6 (1) For capital projects, the applicant must obtain
7 written approval from the department prior to incurring any
8 expenses for which the applicant may later seek
9 reimbursement.

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

13 (3) By providing preapproval under this subsection, the
14 department may recognize any local funds already expended as
15 satisfying the local match requirement if and when the
16 applicant's application is approved.

17 § 1520. Evaluation of private investment opportunities.

18 (a) Study.--A local transportation organization receiving
19 funding in an amount greater than \$5,000,000 annually under this
20 chapter shall undertake a study to evaluate the feasibility of
21 utilizing partnerships with private service providers and
22 financial partners as a method to operate and finance new or
23 existing services. Within one year following the effective date
24 of this section, each local transportation organization required
25 to evaluate private participation under this section shall
26 submit a report to the secretary and the majority chairperson
27 and minority chairperson of the Transportation Committee of the
28 Senate and the majority chairperson and minority chairperson of
29 the Transportation Committee of the House of Representatives.

30 (b) Report.--The report shall, at a minimum, include the

1 results of the evaluation, a determination of the viability of
2 greater private partnering and any recommendations about how to
3 achieve greater participation from the private sector.

4 (c) Preclusion.--Nothing in this section shall preclude a
5 local transportation organization receiving less than \$5,000,000
6 annually under this chapter from making an evaluation of greater
7 private involvement in their operations.

8 CHAPTER 81

9 TURNPIKE

10 § 8101. Scope of chapter.

11 This chapter relates to turnpike organization, extension and
12 toll road conversion.

13 § 8102. Definitions.

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

17 "Commission." The Pennsylvania Turnpike Commission.

18 "Cost of the department." The term includes the costs of all
19 of the following:

20 (1) Constructing, reconstructing, widening, expanding or
21 extending the State highway and rural State highway system
22 and connecting roads, tunnels and bridges.

23 (2) Systems of public passenger transportation or
24 portions of the systems, the placing of the systems in
25 operation and the condemnation of property necessary for
26 construction and operation of the systems.

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

1 (4) Machinery and equipment, financing charges, interest
2 prior to and during construction and for one year after
3 completion of construction.

4 (5) Any of the following:

5 (i) Traffic estimates, engineering and legal
6 expenses, plans, specifications, surveys, estimates of
7 cost and of revenues.

8 (ii) Other expenses necessary or incident to
9 determining the feasibility or practicability of the
10 enterprise. This subparagraph includes administrative and
11 legal expenses.

12 (iii) Other expenses as may be necessary or incident
13 to the financing authorized under this chapter, the
14 construction, reconstruction, widening, expanding or
15 extending of the State highway and the rural State
16 highway system and connecting roads, tunnels and bridges.

17 (6) Any obligation or expense contracted for by the
18 department or with the United States or an agency of the
19 United States, for traffic surveys, preparation of plans and
20 specifications, supervision of construction and other
21 engineering, administrative and legal services and expenses
22 in connection with the construction, reconstruction,
23 widening, expanding or extending of the State highway and
24 rural State highway system or any of the connecting roads,
25 tunnels and bridges or the costs of the systems of public
26 passenger transportation or portions of the systems.

27 (7) Payment of any notes or other obligations if the
28 notes or other obligations were issued for the payment of a
29 cost of the department.

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

1 (1) Constructing, reconstructing, widening, expanding or
2 extending turnpikes, connecting roads, storm water management
3 systems, buildings, interchanges, slip ramps, tunnels and
4 bridges.

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

8 (3) Machinery and equipment, financing charges and
9 interest.

10 (4) Traffic estimates, engineering and legal expenses,
11 plans, specifications, surveys, cost and revenue estimates,
12 other expenses necessary or incident to determining the
13 feasibility or practicability of the enterprise,
14 administrative and legal expense and other expenses as may be
15 necessary or incident to the financing authorized in this
16 chapter.

17 (5) Condemnation or other means of acquisition of
18 property necessary for the construction and operation of the
19 turnpikes.

20 (6) An obligation or expense contracted for by the
21 commission with the department or with the United States or a
22 Federal agency for any of the following:

23 (i) Traffic surveys, preparation of plans and
24 specifications, supervision of construction and other
25 engineering and administrative and legal services and
26 expenses in connection with the construction,
27 reconstruction, widening, expansion or extension of the
28 turnpike or any of the connecting roads, storm water
29 management systems, interchanges, slip ramps, tunnels and
30 bridges.

1 (ii) Costs of reimbursing the Federal Government
2 pursuant to the mandates of the Federal law for Federal
3 funds expended for interstate or other highways which are
4 to be made part of the turnpike system pursuant to this
5 chapter.

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

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

11 "Electronic toll collection." A system of collecting tolls
12 or charges that is capable of charging an account holder for the
13 prescribed toll by electronic transmission of information
14 between a device on a vehicle and a device in a toll lane at a
15 toll collection facility.

16 "Lessee." A person, corporation, firm, partnership, agency,
17 association or organization that rents, leases or contracts for
18 the use of a vehicle and has exclusive use of the vehicle for
19 any period of time.

20 "Lessor." A person, corporation, firm, partnership, agency,
21 association or organization engaged in the business of renting
22 or leasing vehicles to any lessee under a rental agreement,
23 lease or other agreement under which the lessee has the
24 exclusive use of the vehicle for any period of time.

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

27 "Owner." Except as provided under section 8117(e) (relating
28 to electronic toll collection), an individual, copartnership,
29 association or corporation having title or interest in a
30 property right, easement or franchise authorized to be acquired

1 under this chapter.

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

10 "Rural State highway system." All roads and highways taken
11 over by the Commonwealth as State highways under the provisions
12 of the act of June 22, 1931 (P.L.594, No.203), referred to as
13 the Township State Highway Law, and all other roads and highways
14 specifically designated by the Secretary of the Commonwealth as
15 rural State highways.

16 "Secretary." The Secretary of Transportation of the
17 Commonwealth.

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 street may have
24 been taken over as a State highway.

25 "System of public passenger transportation." A system of
26 public passenger transportation, including rail transportation
27 facilities used for public passenger transportation, which may
28 include any of the following:

29 (1) Railway, street railway, subway, elevated and
30 monorail passenger or passenger and rail rolling stock,

1 including self-propelled and gallery cars, locomotives,
2 passenger buses and wires, poles and equipment for the
3 electrification of any of the rails, tracks and roadbeds,
4 guideways, elevated structures, buildings, stations,
5 terminals, docks, shelters and parking areas for use in
6 connection with the rail transportation systems,
7 interconnecting lines and tunnels to provide passenger or
8 passenger and rail service connections between transportation
9 systems, transportation routes, corridors and rights-of-way
10 therefor, but not for public highways.

11 (2) Signal and communication systems necessary or
12 desirable for the construction, operation or improvement of a
13 public passenger transportation system.

14 (3) Any improvement or overhaul of any vehicle equipment
15 or furnishings of any of the items specified under paragraphs
16 (1) and (2) or any part or fractional and undivided co-
17 ownership or leasehold interest in any one or combination of
18 any of the items specified under paragraphs (1) and (2) that
19 may be designated as a system of public passenger
20 transportation by the Secretary of Transportation.

21 "Toll road conversion." The inclusion within the turnpike
22 system and the imposition of tolls on the system of a highway
23 that is presently toll free.

24 "Turnpikes." Any of the following:

25 (1) The turnpike, turnpike extensions and turnpike
26 improvements.

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

29 (3) Related storm water management systems,
30 interchanges, slip ramps, tunnels and bridges, property

rights, easements and franchises deemed necessary or convenient for the construction, reconstruction, widening, expansion, extension or the operation of the turnpike, turnpike extension, turnpike improvement and toll-free roads.

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

"Violation enforcement system." A vehicle sensor, placed in a location to work in conjunction with a toll collection facility, which automatically produces a videotape or photograph, microphotograph or other recorded image of the rear portion of each vehicle at the time the vehicle is used or operated in violation of the toll collection regulations. The term includes any other technology which identifies a vehicle by photographic, electronic or other method.

§ 8103. (Reserved).

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

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

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

pledged to the payment of the principal or interest of the bonds, notes or other obligations.

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

§ 8105. Commission.

(a) (Reserved).

(b) Vacancies and terms.--

(1) Notwithstanding any other law, any vacancy in the membership of the commission shall be filled by appointment of the Governor by and with the advice and consent of two-thirds of the members elected to the Senate.

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

(c) (Reserved).

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

(e) Chairman.--A majority of the members of the commission shall elect a member of the commission to serve as chairman. 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 a majority of the members of the commission.

1 (f) Actions by the commission.--Notwithstanding any other
2 law, court decision, precedent or practice to the contrary, any
3 and all actions by or on behalf of the commission shall be taken
4 solely upon the approval of a majority of the members to the
5 commission. The term "actions by or on behalf of the
6 commission," as used in this subsection, means any action
7 whatsoever of the commission, including, but not limited to, the
8 hiring, appointment, removal, transfer, promotion or demotion of
9 any officers and employees; the retention, use or remuneration
10 of any advisors, counsel, auditors, architects, engineers or
11 consultants; the initiation of any legal action; the making of
12 any contracts, leases, agreements, bonds, notes or covenants;
13 the approval of requisitions, purchase orders, investments and
14 reinvestments; and the adoption, amendment, revision or
15 rescission of any rules and regulations, orders or other
16 directives. The chairman, vice chairman or any other officer or
17 employee of the commission may take no action by or on behalf of
18 the commission except as expressly authorized by a majority of
19 the members of the commission.

20 (g) Compensation.--The annual salary of the Chairman of the
21 Pennsylvania Turnpike Commission shall be \$28,500, and the
22 annual salary of the remaining members of the Pennsylvania
23 Turnpike Commission shall be \$26,000. These salaries shall be
24 paid in equal installments every other week.

25 § 8106. Exercise of commission powers.

26 The exercise by the commission of the powers conferred by
27 this chapter in the construction, operation and maintenance of
28 the turnpikes and in effecting toll road conversions shall be
29 deemed and held to be an essential governmental function of the
30 Commonwealth.

1 § 8107. Commission powers and duties.

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

3 (1) Maintain a principal office at a place designated by
4 the commission.

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

6 (3) Sue and be sued in its own name, plead and be
7 impleaded. Any civil action against the commission shall be
8 brought only in the courts in which actions may be brought
9 against the Commonwealth.

10 (4) Have an official seal.

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

13 (6) Acquire, hold, accept, own, use, hire, lease,
14 exchange, operate and dispose of personal property, real
15 property and interests in real property and make and enter
16 into all contracts and agreements necessary or incidental to
17 the performance of its duties and the execution of its powers
18 under this chapter and employ engineering, traffic,
19 architectural and construction experts and inspectors,
20 attorneys and other employees as may, in its judgment, be
21 necessary and fix their compensation.

22 (7) Provide grade separations at its own expense with
23 respect to all public roads, State highways and interstate
24 highways intersected by the turnpikes and to change and
25 adjust the lines and grades thereof so as to accommodate the
26 same to the design for grade separation.

27 (i) The damages incurred in changing and adjusting
28 the lines and grades of public roads, State highways and
29 interstate highways shall be ascertained and paid by the
30 commission in accordance with 26 Pa.C.S. (relating to

eminent domain).

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

(iii) The method of acquiring the right-of-way and determining damages incurred in changing the location of or vacating the road, State highway or interstate highway shall be ascertained and paid for in accordance with 26 Pa.C.S.

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

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

(10) Provide for costs of the department.

(11) Have all of the powers and perform all the duties prescribed by the act of May 21, 1937 (P.L.774, No.211),

referred to as the Pennsylvania Turnpike Commission Act.

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

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

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

(3) The turnpike, the turnpike extensions and improvements and the toll-free roads converted to toll roads 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, salaries and 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

1 other property deemed necessary or convenient for the
2 construction and efficient operation of the turnpikes and the
3 toll road conversions or necessary in the restoration or
4 relocation of public or private property damaged or destroyed.

5 (b) Purchase.--

6 (1) The commission may acquire by purchase, whenever it
7 shall deem the purchase expedient, or otherwise accept if
8 dedicated to it, any lands, interests in lands, property
9 rights, rights-of-way, franchises, easements and other
10 property deemed necessary or convenient for the construction
11 and efficient operation of the turnpikes and toll road
12 conversions or necessary in the restoration of public or
13 private property damaged or destroyed, whether the property
14 has been previously condemned or otherwise, upon terms and at
15 a price as may be considered by the commission to be
16 reasonable and can be agreed upon between the commission and
17 the owner thereof and to take title thereto in the name of
18 the commission.

19 (2) The net proceeds of the purchase price payable to a
20 municipality or the department for any real property or
21 interest therein obtained by the commission pursuant to this
22 chapter, less the cost of retiring any bonded indebtedness on
23 the property or interest, shall be used exclusively, in the
24 case of a municipality, for road-related and bridge-related
25 expenses and, in the case of the department, for highway and
26 bridge construction, reconstruction and maintenance in the
27 same engineering and maintenance district in which the
28 property is located.

29 § 8110. Procedural requirements of acquisition.

30 (a) Title.--Title to any property condemned by the

1 commission shall be taken in the name of the commission.

2 (b) Entry.--

3 (1) In addition to any others powers set forth in this
4 chapter, the commission and its authorized agents and
5 employees may enter upon any lands, waters and premises in
6 this Commonwealth for the purpose of making surveys,
7 soundings, drillings and examinations, as it may deem
8 necessary or convenient for the purpose of this chapter.

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

12 (3) The commission shall make reimbursement for any
13 actual damages resulting to the lands, waters and premises as
14 a result of the activities.

15 (c) Restoration of property.--Any public or private property
16 damaged or destroyed in carrying out the powers granted by this
17 chapter shall be restored or repaired and placed in its original
18 condition as nearly as practicable or adequate compensation made
19 for the property out of funds provided under the authority of
20 this chapter.

21 (d) Powers of public bodies.--Notwithstanding any other
22 provision of law to the contrary, a political subdivision or a
23 public agency or commission of the Commonwealth may lease, lend,
24 dedicate, grant, convey or otherwise transfer to the commission,
25 upon its request, upon terms and conditions as the proper
26 authorities of the political subdivision or public agency or
27 commission of the Commonwealth deems reasonable and fair and
28 without the necessity for any advertisement, order of court or
29 other action or formality, other than the regular and formal
30 action of the authorities concerned, any real property which may

1 be necessary or convenient to the effectuation of the authorized
2 purposes of the commission, including public roads and other
3 real property already devoted to public use.

4 § 8111. Entry and possession of property condemned.

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

10 § 8112. Issuance of turnpike revenue bonds or other
11 obligations.

12 (a) Authorization.--

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

15 (i) Series.

16 (ii) Date of maturity not exceeding 40 years from
17 date of issue.

18 (iii) Interest.

19 (iv) Denomination.

20 (v) Form, either coupon or fully registered without
21 coupons.

22 (vi) Registration, exchangeability and
23 interchangeability privileges.

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

25 (viii) Terms of redemption not exceeding 105% of the
26 principal amount of the bond.

27 (ix) Priorities in the revenues or receipts of the
28 commission.

29 (2) A bond must be signed by or shall bear the facsimile
30 signature of such officers as the commission determines. A

1 bond may be issued and delivered notwithstanding that one or
2 more of the signing officers or the treasurer has ceased to
3 be an officer when the bond is actually delivered. A bond
4 must be authenticated by an authenticating agent, a fiscal
5 agent or a trustee, if required by the authorizing
6 resolution.

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

9 (4) Pending the preparation of a definitive bond,
10 interim receipts or temporary bonds without coupons may be
11 issued to the purchaser and may contain terms and conditions
12 as the commission determines.

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

16 (1) Pledging the full faith and credit of the
17 commission, but not of the Commonwealth or any political
18 subdivision for the bond or restricting the obligation of the
19 commission to all or any of the revenue of the commission
20 from all or any projects or properties.

21 (2) The payment of the costs of the department, the
22 costs of the turnpikes and the toll road conversions,
23 including the reconstruction of the converted roads as
24 provided for in this chapter and the repayment to the Federal
25 Treasury of any funds so required to be repaid pursuant to
26 any special legislation passed by the Congress of the United
27 States authorizing the conversion of toll-free roads to toll
28 roads, the financing for insurance reserves and the duties of
29 the commission with reference to these matters.

30 (3) Terms and provisions of the bond.

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

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

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

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

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

11 (9) Other additional agreements with the holder of the
12 bond.

13 (c) Deeds of trust.--The commission may enter into any deed
14 of trust, indenture or other agreement with any bank or trust
15 company or other person in the United States having power to
16 enter into such an arrangement, including any Federal agency, as
17 security for a bond and may assign and pledge all or any of the
18 revenues or receipts of the commission under such deed,
19 indenture or agreement. The deed of trust, indenture or other
20 agreement may contain provisions as may be customary in such
21 instruments or as the commission may authorize, including
22 provisions as to the following:

23 (1) For the payment of the costs of the department, the
24 costs of the turnpikes and the toll road conversions,
25 including the reconstruction of the converted roads as
26 provided for in this chapter and the repayment to the Federal
27 Treasury of any funds so required to be repaid pursuant to
28 any special legislation passed by the Congress of the United
29 States authorizing the conversion of toll-free roads to toll
30 roads, financing for insurance reserves and the duties of the

1 commission with reference to these matters.

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

4 (3) Rights and remedies of trustees and bondholders,
5 including restrictions upon the individual right of action of
6 a bondholder.

7 (4) Terms and provisions of the bond or the resolution
8 authorizing the issuance of the bond.

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

12 § 8113. Obligation proceeds restricted and lien created.

13 All money received from any bonds, notes or other obligations
14 issued under this chapter shall be applied solely to the payment
15 of the costs of the department, the costs of the turnpikes, the
16 turnpike extensions and improvements and the toll road
17 conversions, including the reconstruction of the converted roads
18 as provided for in this chapter and the repayment to the Federal
19 Treasury of any funds so required to be repaid pursuant to any
20 special legislation passed by the Congress of the United States
21 authorizing the conversion of toll-free roads to toll roads or
22 to the appurtenant fund. There is created and granted a lien
23 upon the money, until so applied, in favor of holders of the
24 bonds, notes or other obligations or the trustee provided for in
25 this chapter in respect of the bonds, notes or other
26 obligations.

27 § 8114. Trust indenture authorized.

28 (a) Security for bonds.--In the discretion of the
29 commission, the bonds, notes or other obligations may be secured
30 by a trust indenture by and between the commission and a

1 corporate trustee, which may be any trust company or bank having
2 the powers of a trust company, within this Commonwealth. The
3 trust indenture may pledge or assign tolls and revenue to be
4 received but shall not convey or mortgage the Pennsylvania
5 Turnpike System, including the turnpikes and toll road
6 conversions provided for by this chapter.

7 (b) Rights of bondholders.--Either the resolution providing
8 for the issuance of the bonds, notes or other obligations or the
9 trust indenture may contain provisions for protecting and
10 enforcing the rights and remedies of the bondholders or holders
11 of notes or other obligations as may be reasonable and proper
12 and not in violation of law, including covenants setting forth
13 the duties of the commission in relation to the acquisition of
14 properties and the construction, maintenance, operation and
15 repair and insurance of the turnpikes and the custody,
16 safeguarding and application of all money. It shall be lawful
17 for any bank or trust company incorporated under the laws of
18 this Commonwealth to act as a depository of the proceeds of
19 bonds, notes or other obligations or revenues and to furnish the
20 indemnity bonds or to pledge the securities as may be required
21 by the commission. The trust indenture may set forth the rights
22 and remedies of the bondholders or holders of notes or other
23 obligations and of the trustee and may restrict the individual
24 right of action of bondholders or holders of notes or other
25 obligations as is customary in trust indentures securing bonds,
26 debentures of corporations, notes or other obligations. In
27 addition to the foregoing, the trust indenture may contain other
28 provisions as the commission may deem reasonable and proper for
29 the security of bondholders or holders of notes or other
30 obligations. All expenses incurred in carrying out the trust

1 indenture may be treated as part of the cost of maintenance,
2 operation and repair of the turnpikes and toll road conversions
3 provided for by this chapter.

4 § 8115. Commission and obligations tax exempt.

5 The accomplishment by the commission of the authorized
6 purposes stated in this chapter being for the benefit of the
7 people of this Commonwealth and for the improvement of their
8 commerce and prosperity, in which accomplishment the commission
9 will be performing essential governmental functions, the
10 commission shall not be required to pay any taxes or assessments
11 on any property acquired or used by it for the purposes provided
12 in this chapter, and the bonds, notes or other obligations
13 issued by the commission, their transfer and the income
14 therefrom, including any profits made on the sale thereof, shall
15 at all times be free from taxation within this Commonwealth.

16 § 8116. Collection and disposition of tolls and other revenue.

17 (a) Establishment and changes in toll amounts.--Subject to
18 the terms of any trust indenture entered into by the commission
19 or any resolution authorizing the issuance of any bonds, notes
20 or other obligations of the commission, the commission is
21 authorized to fix and to revise tolls for the use of the
22 Pennsylvania Turnpike System and the different parts or sections
23 of the system, including the turnpike, the turnpike extensions
24 and improvements and the toll road conversions authorized by
25 this chapter. The commission is further authorized to charge and
26 collect tolls; to contract with any person, partnership,
27 association or corporation desiring the use of any part thereof,
28 including the right-of-way adjoining the paved portion, for
29 placing thereon telephone, telegraph, electric light or power
30 lines, gas stations, garages, stores, hotels, restaurants and

1 advertising signs or for any other purpose, except for service
2 plazas in the right-of-way along Interstate 80 and for tracks
3 for railroad or railway use; and to fix the terms, conditions,
4 rents and rates of charges for use. Tolls shall be fixed and
5 adjusted as to provide funds at least sufficient with other
6 revenues of the Pennsylvania Turnpike System, if any, to pay all
7 of the following:

8 (1) The cost of the turnpikes. This paragraph includes
9 the cost of constructing, reconstructing, widening,
10 expanding, extending, maintaining, repairing and operating
11 the Pennsylvania Turnpike System and the different parts and
12 sections of the system.

13 (2) Any of the following:

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

16 (ii) Sinking fund requirements of the commission.

17 (iii) Other requirements provided for by any
18 resolution authorizing the issuance of the bonds, notes
19 or other obligations by the commission, or by any trust
20 indenture to which the commission is a party, as they
21 become due.

22 (3) Amounts due to the department under 75 Pa.C.S. Ch.
23 89 (relating to Pennsylvania Turnpike) and pursuant to the
24 lease agreement under 75 Pa.C.S. § 8915.3 (relating to lease
25 of Interstate 80; related agreements).

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

29 (5) Any other amounts payable to the Commonwealth or to
30 the department.

(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 may be provided in any resolutions, trust indentures or any other agreements that the commission may hereafter adopt or hereafter enter into with respect to the issuance of bonds, notes or other obligations of the commission.

§ 8117. Electronic toll collection.

(a) Liability of owner.--

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

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

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

(ii) Submits to an examination as to who at the time

1 was operating the vehicle.

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

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

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

13 (b) Imposition of liability.--Liability under this section
14 shall be imposed upon an owner for a violation of this section
15 or the regulations of the commission occurring within the
16 territorial limits of this Commonwealth. If a violation is
17 committed as evidenced by a violation enforcement system, the
18 following shall apply:

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

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

24 (ii) The notice must be mailed at the address shown
25 on the vehicle registration or at the address of the
26 operator, as applicable. Notice must be mailed no later
27 than 60 days after:

28 (A) the alleged conduct; or

29 (B) the date the inference is overcome under
30 subsection (a)(2).

(iii) Personal service is not required.

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

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

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

(1.1) A manual or automatic record of mailing prepared in the ordinary course of business shall be prima facie evidence of the mailing of notice.

(2) If an owner of a vehicle or an owner that is a lessor of a vehicle receives a notice of violation under this section for any time period during which the vehicle was reported to a police department as having been stolen, it shall be a defense to the allegation of liability that the vehicle had been reported to the police as having been stolen prior to the time the violation occurred and that the vehicle had not been recovered by the time of the violation. For purposes of asserting the defense under this paragraph, it shall be sufficient that a certified copy of the police report on the stolen vehicle be sent by first class mail to the commission within 30 days after receiving the original notice of violation. Failure to send the information within the time limit under this paragraph shall render the owner or lessor liable for the penalty prescribed by this section.

(3) An owner that is a lessor of a vehicle as to which a notice of violation was issued under paragraph (1) shall not be liable for a violation if the owner sends to the

1 commission a copy of the rental, lease or other contract
2 document covering the vehicle on the date of the violation,
3 with the name and address of the lessee clearly legible to
4 the commission, within 30 days after receiving the original
5 notice of violation. Failure to send the information within
6 the time limit under this paragraph shall render the lessor
7 liable for the penalty prescribed by this section. If the
8 lessor complies with the provisions of this section, the
9 lessee of the vehicle on the date of the violation shall be
10 deemed to be the owner of the vehicle for purposes of this
11 section and shall be subject to liability for the penalty
12 under this section.

13 (4) A certified report or a facsimile report of an
14 authorized agent or employee of the commission reporting a
15 violation of this section or regulations of the commission
16 based upon the recorded information obtained from a violation
17 enforcement system shall be prima facie evidence of the facts
18 contained in the report and shall be admissible as an
19 official record kept in the ordinary course of business in
20 any proceeding charging a violation of this section or the
21 toll collection regulations of the commission.

22 (5) Notwithstanding any other provision of law,
23 videotapes, photographs, microphotographs, other recorded
24 images, written records, reports or facsimiles prepared
25 pursuant to this section shall be for the exclusive use of
26 the commission, its authorized agents, its employees and law
27 enforcement officials for the purpose of discharging duties
28 under this section and the regulations of the commission. The
29 information shall not be deemed a public record under the act
30 of June 21, 1957 (P.L.390, No.212), referred to as the Right-

1 to-Know Law. The information shall not be discoverable by
2 court order or otherwise; nor shall it be offered in evidence
3 in any action or proceeding which is not directly related to
4 a violation of this section, the regulations of the
5 commission or indemnification for liability imposed pursuant
6 to this section. The restrictions set forth in this
7 paragraph:

8 (i) shall not be deemed to preclude a court of
9 competent jurisdiction from issuing an order directing
10 that the information be provided to law enforcement
11 officials if the information is reasonably described and
12 is requested solely in connection with a criminal law
13 enforcement action;

14 (ii) shall not be deemed to preclude the exchange of
15 the information between any entities with jurisdiction
16 over or which operate an electronic toll collection
17 system in this Commonwealth or any other jurisdiction;
18 and

19 (iii) shall not be deemed to prohibit the use of
20 information exclusively for the purpose of billing
21 electronic toll collection account holders, deducting
22 toll charges from the account of an account holder,
23 enforcing toll collection laws and related regulations or
24 enforcing the provisions of an account holder agreement.

25 (6) An imposition of liability under this section must
26 be based upon a preponderance of evidence.

27 (7) An imposition of liability pursuant to this section
28 shall not be deemed a conviction of an owner and shall not be
29 made part of the motor vehicle operating record of the person
30 upon whom the liability is imposed, nor shall it be

1 considered in the provision of motor vehicle insurance
2 coverage.

3 (8) An owner that admits, is found liable or fails to
4 respond to the notice of violation for a violation of this
5 section shall be civilly liable to the commission for all of
6 the following:

7 (i) Either:

8 (A) the amount of the toll evaded or attempted
9 to be evaded if the amount can be determined; or

10 (B) the maximum toll from the farthest point of
11 entry on the Pennsylvania Turnpike to the actual
12 point of exit if the amount of the toll evaded or
13 attempted to be evaded cannot be determined.

14 (ii) A reasonable administrative fee not to exceed
15 \$35 per notification.

16 (9) Nothing in this section shall be construed to limit
17 the liability of the operator of a vehicle for a violation of
18 this section or of the regulations of the commission.

19 (c) Placement of electronic toll collection device.--An
20 electronic toll collection device which is affixed to the front
21 windshield of a vehicle in accordance with the regulations of
22 the commission shall not be deemed to constitute a violation of
23 75 Pa.C.S. § 4524 (relating to windshield obstructions and
24 wipers).

25 (d) Privacy of electronic toll collection account holder
26 information.--

27 (1) Except as set forth under paragraph (2),
28 notwithstanding any other provision of law, all of the
29 following apply to information kept by the commission, its
30 authorized agents or its employees which is related to the

1 account of an electronic toll collection system account
2 holder:

3 (i) The information shall be for the exclusive use
4 of the commission, its authorized agents, its employees
5 and law enforcement officials for the purpose of
6 discharging their duties pursuant to this section and the
7 regulations of the commission. This subparagraph includes
8 names, addresses, account numbers, account balances,
9 personal financial information, vehicle movement records
10 and other information compiled from transactions with the
11 account holders.

12 (ii) The information shall not be deemed a public
13 record under the Right-to-Know Law, nor shall it be
14 discoverable by court order or otherwise or be offered in
15 evidence in any action or proceeding which is not
16 directly related to the discharge of duties under this
17 section, the regulations of the commission or a violation
18 of an account holder agreement.

19 (2) Paragraph (1) shall not be deemed to do any of the
20 following:

21 (i) Preclude a court of competent jurisdiction from
22 issuing an order directing that the information be
23 provided to law enforcement officials if the information
24 is reasonably described and is requested solely in
25 connection with a criminal law enforcement action.

26 (ii) Preclude the exchange of the information
27 between any entities with jurisdiction over or which
28 operate an electronic toll collection system in this
29 Commonwealth or any other jurisdiction.

30 (iii) Prohibit the use of the information

exclusively for the purpose of billing electronic toll collection account holders, deducting toll charges from the account of an account holder, enforcing toll collection laws and related regulations or enforcing the provisions of an account holder agreement.

(e) Definition.--As used in this section, the term "owner" means any person, corporation, firm, partnership, agency, association, organization or lessor that, at the time a vehicle is operated in violation of this section or regulations of the commission:

(1) is the beneficial or equitable owner of the vehicle;

(2) has title to the vehicle; or

(3) is the registrant or coregistrant of the vehicle registered with the department or a comparable agency of another jurisdiction or uses the vehicle in its vehicle renting or leasing business. The term includes a person entitled to the use and possession of a vehicle subject to a security interest in another person.

§ 8118. Refunding bonds.

The commission is authorized to provide, by resolution, for the issuance of turnpike revenue refunding bonds for the purpose of refunding issued and outstanding turnpike revenue bonds, notes or other obligations. Applicable provisions of this chapter govern all of the following:

(1) Issuance of the turnpike revenue refunding bonds.

(2) Maturities and other details of the refunding bonds.

(3) Rights of the holders of the bonds.

(4) Duties of the Commonwealth and of the commission in respect to the bonds.

§ 8119. Rights of obligation holders and trustees.

1 (a) Scope.--This section applies to all of the following:

2 (1) A holder of:

3 (i) a bond, note or other obligation issued under
4 this chapter; or

5 (ii) a coupon attached to the bond, note or other
6 obligation.

7 (2) The trustee under an applicable trust indenture.

8 (b) Enforcement.--Subject to subsection (c), a person
9 referred to in subsection (a) may, by an action at law or in
10 equity, do all of the following:

11 (1) Protect and enforce rights granted under this
12 chapter or under the resolution or trust indenture.

13 (2) Enforce and compel performance of all duties
14 required by this chapter or by the resolution or trust
15 indenture to be performed by the commission or an officer of
16 the commission. This paragraph includes fixing, charging and
17 collecting of tolls for the use of the turnpikes.

18 (c) Restriction.--Rights under this chapter may be
19 restricted by resolution passed before the issuance of the bond,
20 note or other obligation or by the trust indenture.

21 § 8120. Authority granted to secretary.

22 (a) Agreement with Federal Government.--

23 (1) The secretary is authorized to enter into an
24 agreement with the United States Department of
25 Transportation, the Federal Highway Administration and any
26 other Federal agency to obtain Federal funds for projects for
27 resurfacing, restoring and rehabilitating toll roads in this
28 Commonwealth. The commission is authorized to use Federal
29 funds which may be available for toll roads only upon
30 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 liberally construed to effect its purposes.]

Section 2. Chapter 89 and Subchapter A headings, section 8901, Subchapter B heading, sections 8911, 8912, 8913, 8914, 8914.1, 8915, 8915.1, 8915.2, 8915.3, 8915.4, 8915.5, 8915.6, 8915.7, 8916, 8917 and 8918, Chapter 95 heading and sections 9501, 9502, 9511, 9511.2, 9511.3, 9511.4, 9511.5, 9511.6, 9511.7, 9511.8, 9511.9, 9511.10, 9511.11, 9511.12, 9511.13 and 9512 of Title 75 are repealed:

[CHAPTER 89

PENNSYLVANIA TURNPIKE

SUBCHAPTER A

PRELIMINARY PROVISIONS

§ 8901. Definitions.

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

"Annual additional payments." As follows:

(1) During the conversion period and after the conversion date, an amount equal to the scheduled annual commission contribution, minus the sum of:

(i) \$200,000,000 paid as annual base payments;

(ii) any Interstate 80 savings for that fiscal year.

(2) If the conversion period has expired and a conversion notice has not been received by the secretary, in each subsequent fiscal year until the end of the term of the lease agreement, the annual additional payments shall be \$250,000,000.

"Annual base payments." An amount equal to the sum of the following:

(1) Annual debt service on outstanding bonds issued under section 9511.2 (relating to special revenue bonds) payable as required pursuant to the bonds.

(2) Two hundred million dollars payable annually in four equal installments each due the last business day of each July, October, January and April.

"Annual surplus payments." An amount equal to the general reserve fund surplus payable for each fiscal year until the end of the term of the lease agreement.

"Auditor General's certificate." The certificate issued by the Auditor General within 180 days after the end of each fiscal year of the Pennsylvania Turnpike Commission certifying all of the following:

(1) The amount of the general reserve fund surplus for the fiscal year.

(2) After review of the commission's current ten-year capital plan, that the transfer of the general reserve fund surplus under section 8915.3 (relating to lease of Interstate

80; related agreements) shall not impair the ability of the commission to meet its obligations under the lease agreement or the commission's ten-year capital plan.

"Commission." The Pennsylvania Turnpike Commission.

"Conversion date." The date set forth in the conversion notice when the Pennsylvania Turnpike Commission intends to exercise its option to convert Interstate 80 to a toll road.

"Conversion notice." Written notice to the Secretary of Transportation from the Pennsylvania Turnpike Commission providing notice of its intent to exercise its options to convert Interstate 80 under section 8915.3(3) (relating to lease of Interstate 80; related agreements).

"Conversion period." A period of three years:

(1) which begins on the date of execution of the lease agreement; and

(2) during which the Pennsylvania Turnpike Commission may give the Department of Transportation conversion notice or notice that the commission has exercised its option to extend the conversion period pursuant to section 8915.3(2) (relating to lease of Interstate 80; related agreements).

"Fiscal year." The fiscal year of the Commonwealth.

"General reserve fund surplus." The amount which:

(1) is certified by the Auditor General in the Auditor General's certificate as existing in the Pennsylvania Turnpike Commission's general reserve fund on the last day of the fiscal year of the commission; and

(2) is not required to be retained in the general reserve fund pursuant to any financial documents, financial covenants, insurance policies, liquidity policies or agreements in effect at the commission.

1 "Interstate 80 savings." An amount equal to the following:

2 (1) Prior to the conversion date, the amount shall be
3 zero.

4 (2) In the first fiscal year, including the conversion
5 date, the amount shall be a pro rata share of \$116,985,856
6 calculated using the number of calendar days in the year
7 after the conversion date divided by 365 days.

8 (3) In the fiscal year succeeding the year, including
9 the conversion date, the amount shall be \$121,665,290.

10 (4) In subsequent fiscal years, the amount shall be the
11 amount calculated for the previous year increased by 4%.

12 "Lease agreement." A lease agreement between the Department
13 of Transportation and the Pennsylvania Turnpike Commission which
14 shall include provisions setting forth the terms of the
15 conversion of Interstate 80 to a toll road.

16 "Scheduled annual commission contribution." The following
17 amounts:

18 (1) \$750,000,000 in fiscal year 2007-2008.

19 (2) \$850,000,000 in fiscal year 2008-2009.

20 (3) \$900,000,000 in fiscal year 2009-2010.

21 (4) For fiscal year 2010-2011 and each fiscal year
22 thereafter, the amount shall be the amount calculated for the
23 previous year increased by 2.5%, except that the amount shall
24 be equal to the annual base payments plus \$250,000,000 if the
25 conversion notice is not received by the secretary prior to
26 the expiration of the conversion period.

27 SUBCHAPTER B

28 TURNPIKE EXTENSIONS AND IMPROVEMENTS

29 § 8911. Improvement and extension authorizations.

30 In order to facilitate vehicular traffic within and across

1 this Commonwealth, the commission is hereby authorized and
2 empowered to construct, operate and maintain turnpike extensions
3 and turnpike improvements at such specific locations and
4 according to such schedule as shall be deemed feasible and
5 approved by the commission, together with connecting roads,
6 storm water management systems, interchanges, slip ramps,
7 tunnels and bridges, subject to the waiver of the Federal toll
8 prohibition provisions where applicable, as follows:

9 (1) Widen turnpike to six lanes between the Northeast
10 Extension and the Delaware River Interchange.

11 (2) Construct turnpike interchange with Interstate Route
12 95 in Bucks County.

13 (3) Construct turnpike interchange with Interstate Route
14 476 in Montgomery County.

15 (4) Construct turnpike interchange with Keyser Avenue in
16 Lackawanna County.

17 (5) Construct extensions to the existing turnpike from a
18 point westerly of existing Interchange 2 extending northerly
19 to a connection with the existing interchange between U.S.
20 Route 422 and proposed State Route 60 in Lawrence County and
21 extending southerly to a connection with existing State Route
22 60 in Beaver County at or near State Route 51.

23 (6) Construct an extension to the turnpike from a point
24 at or near Interchange 8 in Westmoreland County extending
25 northerly to an interchange with State Route 66 northwest of
26 Greensburg and continuing northerly to an interchange with
27 U.S. Route 22 south of Delmont.

28 (7) Construct an additional Lehigh Tunnel on the
29 Northeast Extension of the turnpike.

30 (8) Construct a private turnpike interchange directly

1 connected to the New Cumberland Army Depot. The commission
2 may commence construction of the private turnpike interchange
3 notwithstanding the construction schedule established by this
4 section.

5 (9) Construct an interchange on the Northeast Extension
6 with State Route 903 in Carbon County. The commission may
7 commence construction of this interchange notwithstanding the
8 construction schedule established by this section.

9 (10) Other slip ramps and interchanges as the commission
10 may determine.

11 § 8912. Subsequent extension authorizations.

12 The commission is also hereby authorized and empowered to
13 construct, operate and maintain further extensions and
14 improvements of the turnpike at such specific locations and
15 according to such schedules as shall be deemed feasible and
16 which shall be approved by the commission, subject to the waiver
17 of the Federal toll prohibition provisions where applicable, as
18 follows:

19 (1) From an interchange with Interstate Route 70 between
20 existing interchanges at Lover and Speers extending northerly
21 to an interchange with Interstate Route 376 in Pittsburgh
22 extending northwesterly toward the Midfield Terminal, Greater
23 Pittsburgh Airport, Southern Beltway, Extension of the
24 Findlay Connector along Interstate 79 and also extending
25 southerly connecting with the existing interchange between
26 U.S. Route 40 and the Mon Valley Expressway (L.R.1125).

27 (2) From a point at or near the existing interchange
28 between U.S. Route 40 and the Mon Valley Expressway
29 (L.R.1125) in Fayette County southeasterly along U.S. Route
30 40 to Uniontown and continuing southerly along Pa. Route 857

1 to the West Virginia border.

2 (3) From an interchange with the turnpike at or near
3 Interchange 10 extending northerly generally following and
4 coincident where feasible with existing U.S. Route 219 to an
5 interchange with Interstate Route 80 at or near Interchange
6 16.

7 (4) Construction of an interchange for access to the
8 International Distribution Center at the Wilkes-Barre-
9 Scranton International Airport in Luzerne County on the
10 Northeast Extension of the Pennsylvania Turnpike System.

11 (5) From a point at or near Turnpike Interchange 10
12 southerly generally along U.S. Route 219 to the Maryland
13 border.

14 (6) From a point at or near Interstate Route 80
15 Interchange 16 northerly generally along U.S. Route 219 to a
16 connection with the existing U.S. Route 219 Expressway south
17 of Bradford in McKean County.

18 § 8913. Additional subsequent extension authorizations.

19 Upon substantial completion of the turnpike extensions and
20 improvements set forth in sections 8911 (relating to improvement
21 and extension authorizations) and 8912 (relating to subsequent
22 extension authorizations), the commission is hereby authorized
23 and empowered to construct, operate and maintain further
24 extensions and improvements of the turnpike at such specific
25 locations and according to such schedules as shall be deemed
26 feasible and which shall be approved by the commission, subject
27 to the waiver of the Federal toll prohibition provisions where
28 applicable, as follows: construct from a point at or near
29 Interstate Route 80 Interchange 23 at Milesburg southwesterly
30 generally along U.S. Route 220 to a connection with the existing

1 U.S. Route 220 Expressway south of Bald Eagle.

2 § 8914. Further subsequent authorizations.

3 Upon completion of the turnpike extensions and improvements
4 set forth in sections 8911 (relating to improvement and
5 extension authorizations), 8912 (relating to subsequent
6 extension authorizations) and 8913 (relating to additional
7 subsequent extension authorizations), the commission is hereby
8 authorized and empowered to construct, operate and maintain
9 further extensions and improvements of the turnpike at such
10 specific locations and according to such schedules as shall be
11 deemed feasible and which shall be approved by the commission,
12 subject to the waiver of the Federal toll prohibition provisions
13 where applicable, as follows:

14 (1) From a point at or near the intersection of State
15 Route 65 and Crows Run Road in Beaver County, in a
16 southeasterly direction to a point at or near the Perry
17 Highway Interchange of the Pennsylvania Turnpike.

18 (2) From a point at or near Exit 5 of the turnpike
19 northerly to Brookville, Jefferson County, to a point at the
20 intersection with Interstate Route 80.

21 (3) From a point at or near the Pennsylvania Turnpike
22 System into various areas of Berks County in order to
23 complete the construction of the inner loop system and outer
24 loop system of highways surrounding the City of Reading and
25 to complete the missing links on Routes 222 to 422 to 1035.

26 (4) From a point at or near the intersections of
27 Interstate Route 70, Interstate Route 76 and T.R.119 in the
28 Borough of Youngwood, Westmoreland County, in a northerly
29 direction along T.R.119 and T.R.66 to the intersection of
30 T.R.22 with a bypass around the City of Greensburg,

Westmoreland County; thence north on T.R.66 to T.R.356;
thence north on T.R.356 to the intersection with T.R.28.

(5) From a point at or near the intersection of T.R.66
and T.R.22 in Salem Township, Westmoreland County; thence in
a westerly direction paralleling T.R.22 to Exit 6 of
Interstate 76.

§ 8914.1. Security wall pilot project.

The commission shall construct, maintain and assess the long-
term effectiveness of a security wall pilot project from a point
at or near milepost 1.0 on the Northeast Extension of the
Pennsylvania Turnpike to a point at or near milepost 1.8. Such
pilot project shall encompass the southbound lanes of the
Northeast Extension between said mileposts. The commission shall
commence the design and construction of the security wall pilot
project authorized by this section immediately upon transfer of
funds by the department.

§ 8915. Conversion to toll roads.

In order to facilitate vehicular traffic within and across
this Commonwealth, and to facilitate the completion of the
turnpike extensions and improvements authorized in section 8911
(relating to improvement and extension authorizations), and
subject to prior legislative approval by the General Assembly
and the United States Congress, the commission is hereby
authorized and empowered to convert to toll roads such portions
of Pennsylvania's interstate highway system as may facilitate
the completion of the turnpike extensions and improvements
authorized in sections 8912 (relating to subsequent extension
authorizations), 8913 (relating to additional subsequent
extension authorizations) and 8914 (relating to further
subsequent authorizations) and to operate and maintain such

1 converted interstates as toll roads upon the approval by the
2 Congress of the United States of America and the General
3 Assembly of this Commonwealth of legislation expressly
4 permitting the conversion of such interstates to toll roads.
5 Such conversions shall take place at a time and manner set forth
6 in the plan for the conversion prepared by the commission with
7 the cooperation of the department. The provisions authorizing
8 the commission to construct, operate and maintain the turnpike
9 routes in sections 8911, 8912 and 8913 shall be subject to:

10 (1) the prior passage by the Congress of the United
11 States and the General Assembly of this Commonwealth of
12 legislation permitting the conversion of certain interstates
13 to toll roads; or

14 (2) the availability of such other funds as might become
15 available in amounts that would be sufficient to fund to
16 completion any of the individual turnpike extensions and
17 improvements set forth in sections 8912, 8913 and 8914 so
18 long as no turnpike extension or improvement authorized by
19 section 8914 is undertaken until after all the turnpike
20 extensions authorized by section 8913 are completed and no
21 turnpike extension authorized by section 8913 is undertaken
22 until after all the turnpike extensions and improvements
23 authorized by section 8912 are completed. The commission is
24 authorized to use Federal funds which may be available for
25 toll roads only pursuant to the approval of the Secretary of
26 Transportation and only pursuant to the authority granted in
27 section 19 of the act of September 30, 1985 (P.L.240, No.61),
28 known as the Turnpike Organization, Extension and Toll Road
29 Conversion Act.

30 § 8915.1. Conversion of Interstate 80.

1 In order to facilitate vehicular traffic across this
2 Commonwealth, the commission is authorized and empowered to do
3 all of the following:

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

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

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

18 (4) Provide quarterly reports and periodic updates
19 regarding significant developments with respect to the
20 conversion of Interstate 80 to the chairman and minority
21 chairman of the Transportation Committee of the Senate and
22 the chairman and minority chairman of the Transportation
23 Committee of the House of Representatives. These reports
24 shall include, at a minimum, the status of outstanding
25 discussions with the United States Department of
26 Transportation regarding Interstate 80, the location and
27 construction of tolling-related equipment for Interstate 80,
28 planned capital improvements for Interstate 80 and other
29 information important to implementation of this section.

30 § 8915.2. Application to United States Department of

1 Transportation.

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

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

12 (c) Other agreements.--The commission and the department may
13 enter into any other agreements as may be necessary to
14 effectuate the execution of the application filed under this
15 section.

16 § 8915.3. Lease of Interstate 80; related agreements.

17 The department and the commission shall enter into a lease
18 agreement relating to Interstate 80 prior to October 15, 2007.
19 The lease agreement shall include provisions setting forth the
20 terms and conditions of the conversion of Interstate 80 to a
21 toll road. The lease agreement and any related agreement, at a
22 minimum, shall include the following:

23 (1) A provision that the term of the lease agreement
24 shall be 50 years, unless extended upon mutual agreement of
25 the parties to the lease agreement and upon approval of the
26 General Assembly.

27 (2) A provision establishing the conversion period and
28 authorizing extension of the conversion period at the sole
29 option of the commission for three one-year extension periods
30 after consultation with the secretary. The commission shall

1 notify the secretary of its intent to extend the conversion
2 period not less than 90 days before the scheduled expiration
3 of the conversion period. During the conversion period, all
4 legal, financial and operational responsibility for
5 Interstate 80 shall remain with the department. All
6 operations and programmed rehabilitation shall be maintained
7 at levels no less favorable than those set forth in the
8 department's 12-year plan at the time of the execution of the
9 lease, with modifications as are approved in writing by the
10 chairman of the commission.

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

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

30 (5) A provision requiring the commission to pay annual

1 additional payments to the department. The annual additional
2 payments shall be payable in four equal installments on the
3 last business day of each July, October, January and April of
4 each year during the term of the lease agreement.

5 (6) A provision requiring the commission to pay,
6 commencing in the fiscal year including the conversion date,
7 annual surplus payments to the department. The annual surplus
8 payments shall be payable by the commission within 30 days of
9 receipt by the commission of the Auditor General's
10 certificate.

11 (7) A provision stating that the obligation of the
12 commission to pay the annual base payments, the annual
13 additional payments and annual surplus payments shall be a
14 subordinate obligation of the commission payable from amounts
15 in the general reserve fund of the commission only as
16 permitted by any financing documents, financial covenants,
17 liquidity policies or agreements in effect at the commission.
18 § 8915.4. Initial payment.

19 (a) Commission payment required.--Within 20 days after the
20 effective date of this section, the commission shall pay to the
21 department an amount equal to \$62,500,000, which shall be
22 deposited into the Public Transportation Trust Fund. The amount
23 paid shall represent 25% of the amount the department is
24 required to deposit into the Public Transportation Trust Fund
25 under 74 Pa.C.S. § 1506(b)(1)(i)(A) (relating to fund) and is
26 payable by the commission under the lease agreement.

27 (b) Use of payment.--The department shall allocate the funds
28 received under subsection (a) pursuant to 74 Pa.C.S. Ch. 15
29 (relating to sustainable mobility options).

30 (c) Credits.--The payment made by the commission under this

1 section shall be credited against the total amount payable by
2 the commission under the lease agreement for the 2007-2008
3 fiscal year.

4 § 8915.5. Other interstate highways.

5 In order to facilitate vehicular traffic across this
6 Commonwealth and pursuant to the authority granted under this
7 chapter, the commission is hereby authorized and empowered to:

8 (1) at its own expense and in consultation with the
9 department, prepare a consulting civil engineer report and
10 financial analysis with respect to the feasibility of
11 converting any interstate highway or interstate highway
12 segment to a toll road or adding to said interstates
13 additional capacity projects financed by tolls; and

14 (2) at its own expense and in consultation with the
15 department and with approval of the General Assembly, prepare
16 and submit an application to the United States Department of
17 Transportation for the conversion of any interstate or
18 interstate segment determined to be eligible for conversion
19 to a toll road under any applicable Federal program.

20 § 8915.6. Deposit and distribution of funds.

21 (a) Deposits.--Upon receipt by the department, the following
22 amounts from the scheduled annual commission contribution shall
23 be deposited in the Motor License Fund:

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

25 (2) For fiscal year 2008-2009, \$500,000,000.

26 (3) For fiscal year 2009-2010, \$500,000,000.

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

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

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

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

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

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

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

12 (ii) The amount of square footage under subparagraph

13 (i) shall be that reported as part of the National Bridge
14 Inspection Standards Program.

15 (3) Annually, \$30,000,000 of the amount deposited in any
16 fiscal year under subsection (a) shall be distributed to
17 municipalities pursuant to the act of June 1, 1956 (1955
18 P.L.1944, No.655), referred to as the Liquid Fuels Tax
19 Municipal Allocation Law.

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

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

30 "Metropolitan planning organization." The policy board of an

1 organization created and designated to carry out the
2 metropolitan transportation planning process.

3 "Rural planning organization." The organization of counties
4 with populations of less than 50,000 created and designated as
5 local development districts and which carry out the rural
6 transportation planning process.

7 § 8915.7. Impact on associated highways and local roads.

8 Prior to the conversion date and within one year following
9 the conversion date, the commission, in collaboration with the
10 department, shall conduct traffic studies to determine the
11 average daily traffic on associated roads and highways. The
12 purpose of these studies will be to quantify any diversion of
13 traffic from Interstate 80 to other roadways as a result of the
14 conversion. This section shall not require duplication of
15 traffic studies undertaken by the commission as a part of the
16 conversion process or undertaken by the department as a normal
17 course of the department's operations.

18 § 8916. Turnpike system.

19 The turnpikes and the future toll road conversions authorized
20 by this chapter are hereby or shall be made part of the
21 Pennsylvania Turnpike System, as provided in the act of August
22 14, 1951 (P.L.1232, No.282), referred to as the Pennsylvania
23 Turnpike System Financing Act.

24 § 8917. Financial plan.

25 (a) Submission.--

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

30 (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 in writing of the amendment.

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

(d) Effect of provisions.--Nothing in this section shall be deemed to prevent the commission from conducting its normal course of business or prevent the commission from complying with

1 any covenants made to current bondholders, debt holders or
2 creditors.

3 (e) Lease agreement.--The provisions of this section and
4 section 8918 (relating to failure to perform) shall be included
5 in the lease agreement.

6 § 8918. Failure to perform.

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

10 (1) Make a payment to the department under this chapter
11 or the lease agreement.

12 (2) Deliver a financial plan to the Secretary of the
13 Budget within the time prescribed under section 8917
14 (relating to financial plan).

15 (b) Unanimous vote required.--

16 (1) Except as provided under paragraph (1.1), upon the
17 receipt by the commission of the notice under subsection (a)
18 and notwithstanding any other provision of law, action of the
19 commission taken by vote of the commissioners shall require a
20 unanimous vote of all commissioners. Violation of this
21 paragraph shall render the action invalid.

22 (1.1) A unanimous vote shall not be required if it would
23 prevent the commission from complying with any covenants made
24 to current bondholders, debt holders or creditors.

25 (2) The requirement of paragraph (1) shall continue
26 until:

27 (i) the required payments have been made to the
28 department or the required financial plan has been
29 delivered; and

30 (ii) the Secretary of the Budget has notified the

1 commission and the Governor of that fact.

2 CHAPTER 95

3 TAXES FOR HIGHWAY MAINTENANCE

4 AND CONSTRUCTION

5 § 9501. Definitions.

6 The following words and terms when used in this chapter shall
7 have the meanings given to them in this section unless the
8 context clearly indicates otherwise:

9 "Act 3." The act of April 17, 1997 (P.L.6, No.3), entitled,
10 "An act amending Titles 74 (Transportation) and 75 (Vehicles) of
11 the Pennsylvania Consolidated Statutes, further providing for
12 annual appropriation and computation of subsidy and for
13 distribution of funding; providing for distribution of
14 supplemental funding; further providing for use of funds
15 distributed; providing for public transportation grants
16 management accountability, for competitive procurement and for
17 the Public Transportation Assistance Fund; further providing for
18 period of registration, for duties of agents, for registration
19 and other fees, for requirements for periodic inspection of
20 vehicles, for limits on number of towed vehicles, for operation
21 of certain combinations on interstate and other highways and for
22 width and length of vehicles; providing for liquid fuels and
23 fuels permits and bond or deposit of securities, for imposition
24 of liquid fuels and fuels tax, for taxpayer, for distributor's
25 report and payment of tax, for determination of tax, penalties
26 and interest, for examination of records and equipment, for
27 retention of records by distributors and dealers, for
28 disposition and use of tax, for discontinuance or transfer of
29 business, for suspension or revocation of permits, for lien of
30 taxes, penalties and interest, for collection of unpaid taxes,

1 for reports from common carriers, for violations and reward for
2 detection of violations, for refunds, for diesel fuel importers
3 and transporters, for prohibiting use of dyed diesel fuel, for
4 disposition of fees, fines and forfeitures, for certified copies
5 of records and for uncollectible checks; further providing for
6 distribution of State highway maintenance funds and for
7 standards and methodology for data collection; providing for
8 dirt and gravel road maintenance; further providing for
9 imposition of tax and additional tax; providing for tax on
10 alternative fuels; further providing for disposition of tax
11 revenue; making an appropriation; and making repeals."

12 "Annual debt service payments." The annual debt service
13 payments on the bonds issued under section 9511.2 (relating to
14 special revenue bonds) and payable by the commission to the
15 department as part of annual base payments as defined under
16 section 8901 (relating to definitions).

17 "Bond-related expenses." The term shall include all of the
18 following:

19 (1) Printing, publication or advertising expenses with
20 respect to the sale and issuance of bonds.

21 (2) Fees, expenses and costs of registrars.

22 (3) Fees, expenses and costs of attorneys, accountants,
23 feasibility consultants, computer programmers or other
24 experts employed to aid in the sale and issuance of the
25 bonds.

26 (4) Other costs, fees and expenses incurred or
27 reasonably related to the issuance and sale of the bonds
28 including the funding of a debt service reserve fund.

29 "Bond-related obligation." An agreement or contractual
30 relationship between the Pennsylvania Turnpike Commission and:

1 (1) a bank, trust company, insurance company, surety
2 bonding company, pension fund or other financial institution
3 providing increased credit on or security for the bonds or
4 liquidity for secondary market transactions; or

5 (2) the counter party to a swap agreement.

6 "Commission." The Pennsylvania Turnpike Commission or any
7 successor organization.

8 "Cost of the department." The term includes the costs of all
9 of the following:

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

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

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

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

24 (5) Any of the following:

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

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

1 legal expenses.

2 (iii) Other expenses as may be necessary or incident
3 to the financing authorized under this chapter, the
4 construction, reconstruction, widening, expanding or
5 extending of the State highway and the rural State
6 highway system and connecting roads, tunnels and bridges.

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

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

20 "Design-build arrangement." A procurement or project
21 delivery arrangement whereby a single entity, which may be a
22 single contractor or a consortium comprised of multiple
23 contractors, engineers and other subconsultants, is responsible
24 for both the design and construction of a transportation project
25 with a guaranteed completion date and guaranteed maximum price.

26 "Pledged revenues." Annual debt service payments and
27 revenues described in section 9511.11(b)(2) (relating to pledged
28 revenues).

29 "Regularly scheduled debt service." The scheduled payments
30 due for principal and interest on bonds, without regard to any

1 acceleration of the due date of such principal or interest by
2 reason of mandatory or optional redemption or acceleration
3 resulting from default or otherwise, other than an advancement
4 of payment resulting from a mandatory sinking fund payment.

5 "Rural State highway system." All roads and highways taken
6 over by the Commonwealth as State highways under the provisions
7 of the act of June 22, 1931 (P.L.594, No.203), referred to as
8 the Township State Highway Law, and all other roads and highways
9 specifically designated by the Secretary of Transportation as
10 Rural State Highways.

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

18 § 9502. Imposition of tax.

19 (a) General rule.--

20 (1) An "oil company franchise tax for highway
21 maintenance and construction" which shall be an excise tax of
22 60 mills is hereby imposed upon all liquid fuels and fuels as
23 defined and provided in Chapter 90 (relating to liquid fuels
24 and fuels tax), and such tax shall be collected as provided
25 in section 9004(b) (relating to imposition of tax, exemptions
26 and deductions).

27 (2) An additional 55 mills is hereby imposed on all
28 liquid fuels and fuels as defined and provided in Chapter 90
29 and such tax shall also be collected as provided in section
30 9004(b), the proceeds of which shall be distributed as

1 follows:

2 (i) Forty-two percent to county maintenance
3 districts for highway maintenance. This allocation shall
4 be made according to the formula provided in section
5 9102(b) (2) (relating to distribution of State highway
6 maintenance funds). This allocation shall be made in
7 addition to and not a replacement for amounts normally
8 distributed to county maintenance districts under section
9 9102.

10 (ii) Seventeen percent for highway capital projects.

11 (iii) Thirteen percent for bridges.

12 (iv) Two percent for bridges identified as county or
13 forestry bridges.

14 (v) Twelve percent for local roads pursuant to
15 section 9511(c) (relating to basic allocation to
16 municipalities).

17 (vi) Fourteen percent for toll roads designated
18 pursuant to the act of September 30, 1985 (P.L.240,
19 No.61), known as the Turnpike Organization, Extension and
20 Toll Road Conversion Act, to be appropriated under
21 section 9511(h).

22 (3) An additional 38.5 mills is hereby imposed upon all
23 liquid fuels and fuels as defined and provided in Chapter 90,
24 and such tax shall also be collected as provided in section
25 9004(b), the proceeds of which shall be deposited in The
26 Motor License Fund and distributed as follows:

27 (i) Twelve percent to municipalities on the basis of
28 and subject to the provisions of the act of June 1, 1956
29 (1955 P.L.1944, No.655), referred to as the Liquid Fuels
30 Tax Municipal Allocation Law, is appropriated.

1 (ii) Eighty-eight percent to the department is
2 appropriated as follows:

3 (A) Forty-seven percent for distribution in
4 accordance with section 9102(b) (2) for fiscal year
5 1997-1998.

6 (B) Fifty-three percent for a Statewide highway
7 restoration, betterment and resurfacing program for
8 fiscal year 1997-1998.

9 (C) Fifty-seven percent for distribution in
10 accordance with section 9102(b) (2) for fiscal year
11 1998-1999.

12 (D) Forty-three percent for a Statewide highway
13 restoration, betterment and resurfacing program for
14 fiscal year 1998-1999.

15 (E) Sixty-seven percent for distribution in
16 accordance with section 9102(b) (2) for fiscal year
17 1999-2000.

18 (F) Thirty-three percent for a Statewide highway
19 restoration, betterment and resurfacing program for
20 fiscal year 1999-2000.

21 (G) Seventy-seven percent for distribution in
22 accordance with section 9201(b) (2) for fiscal year
23 2000-2001.

24 (H) Twenty-three percent for a Statewide highway
25 restoration, betterment and resurfacing program for
26 fiscal year 2000-2001.

27 (I) One hundred percent for distribution in
28 accordance with section 9102(b) (2) for fiscal year
29 2001-2002 and each year thereafter.

30 (J) For any fiscal year beginning with 1997-1998

1 through and including fiscal year 2000-2001, the
2 department shall make supplemental maintenance
3 program payments from the Statewide highway
4 restoration betterment program to those county
5 maintenance districts for which the total highway
6 maintenance appropriations and executive
7 authorizations in accordance with section 9102(b)
8 would be less than the amount received in 1996-1997
9 from the highway maintenance appropriation, the
10 Secondary Roads-Maintenance and Resurfacing Executive
11 Authorization, the Highway Maintenance Excise Tax
12 Executive Authorization and the Highway Maintenance
13 Supplemental Appropriation.

14 The words and phrases used in this paragraph shall have the
15 meanings given to them in section 9101 (relating to
16 definitions). This one-time allocation shall be made in
17 addition to and is not a replacement for amounts normally
18 distributed to county maintenance districts under section
19 9102.

20 (4) An additional 55 mills is hereby imposed upon all
21 fuels as defined and provided in chapter 90 and such tax
22 shall also be collected as provided in section 9004(b) upon
23 such fuels, the proceeds of which shall be deposited in The
24 Highway Bridge Improvement Restricted Account within the
25 Motor License Fund and is hereby appropriated.

26 (b) Other taxes unaffected.--The tax imposed by this chapter
27 is in addition to all other taxes imposed by this chapter or any
28 other statute.

29 (c) Preemption of local taxes.--The tax imposed by this
30 chapter shall automatically preempt any like tax or any tax on

1 the privilege of processing or refining any petroleum product
2 taxable under this chapter or any other refined product of crude
3 oil imposed by any political subdivision of this Commonwealth.
4 This preemption shall not extend to any local, personal or real
5 property tax of general application or to any tax imposed by the
6 Commonwealth.

7 § 9511. Allocation of proceeds.

8 (a) Deposit in Motor License Fund.--Unless otherwise
9 provided in this title, all taxes, interest and penalties
10 imposed by this chapter shall be deposited in the Motor License
11 Fund.

12 (b) State Highway Transfer Restoration Restricted Account.--
13 The amount of the proceeds deposited in the Motor License Fund
14 pursuant to this chapter which, in fiscal year 1983-1984, is
15 attributable to two mills of the tax imposed under section
16 9502(a) (relating to imposition of tax) and which, in fiscal
17 year 1984-1985 and thereafter, is attributable to three mills of
18 the tax, shall be deposited in the State Highway Transfer
19 Restoration Restricted Account within the Motor License Fund,
20 which account is hereby created. The funds deposited in the
21 State Highway Transfer Restoration Restricted Account are hereby
22 annually appropriated out of the account upon authorization by
23 the Governor for expenditure as provided in subsection (g).

24 (c) Basic allocation to municipalities.--An amount equal to
25 20% of the proceeds deposited in the Motor License Fund pursuant
26 to the "oil company franchise tax for highway maintenance and
27 construction" which is attributable to 35 mills of the tax
28 imposed under section 9502(a) is hereby appropriated out of the
29 Motor License Fund to municipalities of this Commonwealth on the
30 basis of and subject to the provisions of the act of June 1,

1 1956 (1955 P.L.1944, No.655), referred to as the Liquid Fuels
2 Tax Municipal Allocation Law.

3 (d) Additional allocation to municipalities.--In addition,
4 an amount is hereby appropriated out of the Motor License Fund
5 to municipalities of this Commonwealth on the basis of and
6 subject to the provisions of the act of June 1, 1956 (1955
7 P.L.1944, No.655), referred to as the Liquid Fuels Tax Municipal
8 Allocation Law, equal to the amount that would be necessary to
9 increase the portion of the liquid fuels and fuel use taxes
10 distributed by such act to 20% of that which is deposited in the
11 Motor License Fund from all liquid fuels and fuel use taxes.

12 (e) Allocation to cities of the first class.--In addition,
13 an amount is hereby appropriated annually out of the Motor
14 License Fund to cities of the first class equal to the
15 difference between the increased amounts allocated to cities of
16 the first class resulting from subsections (c) and (d) and 2% of
17 oil company wholesale revenues from sales of gasoline delivered
18 to retail outlets in cities of the first class, as determined by
19 the Pennsylvania Secretary of Revenue in developing the official
20 revenue estimate for the "oil company franchise tax for highway
21 maintenance and construction." Such funds shall be used
22 exclusively for maintenance, construction or reconstruction of
23 highways and bridges within cities of the first class.

24 (f) Basic allocation to highway maintenance.--An amount
25 equal to the proceeds of 23 mills of the "oil company franchise
26 tax for highway maintenance and construction" for the fiscal
27 year 1983-1984 shall be dedicated to the maintenance of any
28 State highways and shall be in addition to any funds currently
29 dedicated to the maintenance of any State highways. For fiscal
30 year 1984-1985 and thereafter, an amount equal to the proceeds

1 of 22 mills of the "oil company franchise tax for highway
2 maintenance and construction" shall be dedicated to the
3 maintenance of any State highway and shall be in addition to any
4 funds currently dedicated to the maintenance of any State
5 highways.

6 (g) Use of funds.--The funds appropriated in subsection (b)
7 shall be used to pay for the costs of restoration of such
8 highways as provided in Chapter 92 (relating to transfer of
9 State highways) and annual payments to the municipalities for
10 highway maintenance in accordance with the following:

11 (1) Annual maintenance payments shall be at the rate of
12 \$4,000 per mile for each highway or portion of highway
13 transferred under Chapter 92, section 222 of the act of June
14 1, 1945 (P.L.1242, No.428), known as the State Highway Law,
15 or any statute enacted in 1981.

16 (2) Annual maintenance payments shall be paid at the
17 same time as funds appropriated under the act of June 1, 1956
18 (1955 P.L.1944, No.655), referred to as the Liquid Fuels Tax
19 Municipal Allocation Law, except that no maintenance payment
20 shall be paid for a highway until after the year following
21 its transfer to the municipality.

22 (3) Annual maintenance payments under this subsection
23 shall be in lieu of annual payments under the Liquid Fuels
24 Tax Municipal Allocation Law.

25 (4) Annual maintenance payments under this subsection
26 shall be deposited into the municipality's liquid fuels tax
27 account and may be used on any streets and highways in the
28 municipality in the same manner and subject to the same
29 restrictions as liquid fuels tax funds paid under the Liquid
30 Fuels Tax Municipal Allocation Law or, in the case of a

1 county, under section 10 of the act of May 21, 1931 (P.L.149,
2 No.105), known as The Liquid Fuels Tax Act.

3 (h) Allocation to Pennsylvania Turnpike Commission.--An
4 amount equal to 14% of the proceeds deposited in the Motor
5 License Fund pursuant to the "oil company franchise tax for
6 highway maintenance and construction" imposed under section
7 9502(a)(2), which amount is to be distributed under section
8 9502(a)(2)(vi) for toll roads designated under the act of
9 September 30, 1985 (P.L.240, No.61), known as the Turnpike
10 Organization, Extension and Toll Road Conversion Act, is hereby
11 appropriated monthly to the Pennsylvania Turnpike Commission.
12 The Commonwealth does hereby pledge to and agree with any
13 person, firm or corporation acquiring any bonds to be issued by
14 the Pennsylvania Turnpike Commission and secured in whole or in
15 part by a pledge of the portion of the tax known as the "oil
16 company franchise tax for highway maintenance and construction"
17 which is imposed by section 9502(a)(2) and distributed in the
18 manner indicated in that section, including 14% for toll roads
19 designated under the Turnpike Organization, Extension and Toll
20 Road Conversion Act, that the Commonwealth will not limit or
21 alter the rights vested in the Pennsylvania Turnpike Commission
22 to the appropriation and distribution of such tax revenues.

23 § 9511.2. Special revenue bonds.

24 (a) Payment source.--A special revenue bond, note or other
25 obligation issued under this chapter:

26 (1) shall not be deemed to be a debt or liability of the
27 Commonwealth;

28 (2) shall not create or constitute any indebtedness,
29 liability or obligation of the Commonwealth; and

30 (3) shall be payable solely from pledged revenues.

1 (b) Statement.--A special revenue bond, note or other
2 obligation issued under this chapter must contain a statement on
3 its face that:

4 (1) the Commonwealth is not obligated to pay the bond,
5 note or obligation or the interest on it except from pledged
6 revenues; and

7 (2) neither the faith and credit, nor the taxing power
8 of the Commonwealth is pledged to the payment of the
9 principal or interest of the bond, note or obligation.

10 (c) Taxation.--The issuance of a special revenue bond, note
11 or other obligation under this chapter shall not directly,
12 indirectly or contingently obligate the Commonwealth to levy a
13 tax or to make an appropriation for payment.

14 § 9511.3. Expenses.

15 (a) Reimbursement.--The commission shall be reimbursed from
16 bond proceeds for the necessary and documented reasonable
17 expenses incurred in the performance of the duties performed
18 under the provisions of this chapter.

19 (b) Source.--All expenses incurred in carrying out the
20 provisions of this chapter shall be paid solely from funds
21 provided under the authority of this chapter, and sufficient
22 funds shall be provided under the authority of this chapter to
23 meet any liability or obligation incurred in carrying out the
24 provisions of this chapter.

25 § 9511.4. Special revenue bonds and preliminary or interim
26 financing.

27 (a) Authorization.--The commission is authorized to provide,
28 by resolution, for the issuance of special revenue bonds of the
29 commission up to an aggregate principal amount not exceeding
30 \$5,000,000,000, exclusive of original issue discount, for the

1 purpose of paying the cost of the department and bond-related
2 expenses. The resolution must recite an estimate of the cost of
3 the department. No more than \$600,000,000 in aggregate principal
4 amount of special revenue bonds, exclusive of original issue
5 discount, may be issued in any calendar year. No bond may be
6 issued and outstanding under this section unless the lease
7 agreement authorized under section 8915.3 (relating to lease of
8 Interstate 80; related agreements) is in effect as of the date
9 of issuance. No bond may be outstanding beyond the term of the
10 lease. Special revenue refunding bonds as set forth in section
11 9511.9 (relating to special revenue refunding bonds) shall not
12 be deemed to count against the total or annual maximum issuance
13 volume. The principal and interest of the bond shall be payable
14 solely from pledged revenues.

15 (b) Form.--

16 (1) A bond may be issued in registered form.

17 (2) A bond:

18 (i) must be dated;

19 (ii) must bear interest at a rate not exceeding the
20 rate permitted under applicable law;

21 (iii) must be payable semiannually or at other times
22 as set forth in the resolution of the commission
23 authorizing the issuance of the bonds;

24 (iv) must mature, as determined by the commission,
25 no later than 40 years from the date of the bond; and

26 (v) may be made redeemable before maturity, at the
27 option of the commission, at a price and under terms and
28 conditions fixed by the commission prior to the issuance
29 of the bonds.

30 (c) Issuance.--

1 (1) The commission may sell bonds at public or private
2 sale and for a price it determines to be in the best interest
3 of the Commonwealth.

4 (2) Bonds may be issued in series with varying
5 provisions as to all of the following:

6 (i) Rates of interest, which may be fixed or
7 variable.

8 (ii) Other provisions not inconsistent with this
9 chapter.

10 (d) (Reserved).

11 (e) Payment.--

12 (1) The principal and interest of the bonds may be made
13 payable in any lawful medium.

14 (2) The commission shall:

15 (i) determine the form of bonds; and

16 (ii) fix:

17 (A) the denomination of the bond; and

18 (B) the place of payment of principal and
19 interest of the bond, which may be at any bank or
20 trust company within or without this Commonwealth.

21 (f) Signature.--The bond must bear the manual or facsimile
22 signature of the Governor and of the chairman of the commission.
23 The official seal of the commission or a facsimile of the
24 official seal shall be affixed to or printed on the bond and
25 attested by the secretary and treasurer of the commission. If an
26 officer whose signature or facsimile of a signature appears on a
27 bond ceases to be an officer before the delivery of the bond,
28 the signature or facsimile shall nevertheless be valid and
29 sufficient for all purposes as if the officer remained in office
30 until delivery.

1 (g) Negotiability.--A special revenue bond issued under this
2 chapter shall have all the qualities and incidents of a
3 negotiable instrument under 13 Pa.C.S. Div. 3 (relating to
4 negotiable instruments).

5 (h) Proceeds.--The proceeds of a bond shall be used solely
6 for the following:

7 (1) Payment of the cost of the department.

8 (2) Bond-related expenses.

9 (i) Temporary bonds.--Prior to the preparation of definitive
10 bonds, the commission may, under similar provisions as those
11 applicable to the definitive bonds, issue temporary bonds,
12 exchangeable for definitive bonds upon the issuance of
13 definitive bonds.

14 (j) (Reserved).

15 (k) Status as securities.--

16 (1) A bond is made a security in which any of the
17 following may properly and legally invest funds, including
18 capital, belonging to them or within their control:

19 (i) Commonwealth and municipal officers.

20 (ii) Commonwealth agencies.

21 (iii) Banks, bankers, savings banks, trust
22 companies, saving and loan associations, investment
23 companies and other persons carrying on a banking
24 business.

25 (iv) Insurance companies, insurance associations and
26 other persons carrying on an insurance business.

27 (v) Fiduciaries.

28 (vi) Other persons that are authorized to invest in
29 bonds or other obligations of the Commonwealth.

30 (2) A bond is made a security which may properly and

1 legally be deposited with and received by a Commonwealth or
2 municipal officer or a Commonwealth agency for any purpose
3 for which the deposit of bonds or other obligations of the
4 Commonwealth is authorized by law.

5 (1) Borrowing.--The following shall apply:

6 (1) The commission is authorized to do all of the
7 following:

8 (i) Borrow money at an interest rate not exceeding
9 the rate permitted by law.

10 (ii) Provide for preliminary or interim financing up
11 to, but not exceeding, the estimated total cost of the
12 department and bond-related expenses and to evidence the
13 borrowing by the issuance of special revenue notes and,
14 in its discretion, to pledge as collateral for the note
15 or other obligation a special revenue bond issued under
16 the provisions of this chapter. The commission may renew
17 the note or obligation, and the payment or retirement of
18 the note or obligation shall be considered to be payment
19 of the cost of the project.

20 (2) A note or obligation issued under this subsection
21 must contain a statement on its face that:

22 (i) the Commonwealth is not obligated to pay the
23 note or obligation or interest on it, except from pledged
24 revenues; and

25 (ii) neither the faith and credit nor the taxing
26 power of the Commonwealth is pledged to the payment of
27 its principal or interest.

28 § 9511.5. Application of proceeds of obligations, lien of
29 holders of obligations, design-build requirement and
30 projects approved by General Assembly.

1 (a) Application.--The following shall apply:

2 (1) All proceeds received from any bonds, notes or other
3 obligations issued under this chapter shall be applied solely
4 to the payment of:

5 (i) the cost of the department; and

6 (ii) bond-related expenses.

7 (2) The commission may provide by resolution that until
8 proceeds received from any bonds, notes or other obligations
9 issued under this chapter is applied under paragraph (1), a
10 lien shall exist upon the proceeds in favor of holders of the
11 bonds, notes or other obligations or a trustee provided for
12 in respect to the bonds, notes or other obligations.

13 (b) Design-build arrangements.--

14 (1) To facilitate the timely completion of projects to
15 be financed by the department with bond proceeds, the
16 department may utilize design-build arrangements for each
17 project to be financed with bond proceeds if the project
18 value is estimated by the department to exceed \$100,000,000.

19 (2) Notwithstanding the provisions of any other law, the
20 department may utilize design-build arrangements for the
21 following:

22 (i) projects to be financed by the department with
23 bond proceeds for projects estimated by the department to
24 have a value of \$100,000,000 or less; and

25 (ii) all other construction projects of the
26 department not included under subparagraph (i) or
27 paragraph (1).

28 (3) The selection of the party for a design-build
29 arrangement under this subsection must be conducted in a
30 manner consistent with the procurement and public bidding

1 laws applicable to the department.

2 (c) Capital projects.--All projects financed by the
3 department with bond proceeds shall be included in any
4 submission the department is already required to make to the
5 General Assembly with respect to the expenditure of funds for
6 highway projects.

7 (d) Investment.--Pending the application of proceeds to cost
8 of the department and bond-related expenses, the commission may
9 invest the funds in permitted investments as defined under any
10 trust indenture.

11 § 9511.6. Trust indenture, protection of holders of obligations
12 and depositories.

13 (a) Indenture.--In the discretion of the commission, a bond,
14 note or other obligation may be secured by a trust indenture by
15 and between the commission and a corporate trustee, which may be
16 any trust company or bank having the powers of a trust company,
17 within or without this Commonwealth.

18 (b) Pledge or assignment.--A trust indenture under
19 subsection (a) may pledge or assign the pledged revenues but
20 shall not convey or mortgage the turnpike or any part of the
21 turnpike.

22 (c) Rights and remedies.--The resolution providing for the
23 issuance of the bond, note or other obligation of the trust
24 indenture may contain provisions for protecting and enforcing
25 the rights and remedies of the bondholders or holders of notes
26 or other obligations as may be reasonable and proper and not in
27 violation of law.

28 (d) Depository.--It shall be lawful for any bank or trust
29 company incorporated under the laws of this Commonwealth to act
30 as depository of the proceeds of the bond, note or other

obligation or revenue, to furnish indemnity bonds or to pledge securities as may be required by the commission.

(e) Indenture.--The trust indenture may set forth the rights and remedies of the bondholders or holders of notes 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. The trust indenture may contain other provisions as the commission may deem reasonable and proper for the security of bondholders or holders of notes or other obligations.

§ 9511.7. Exemption from Commonwealth taxation.

The effectuation of the purposes of this chapter is for the benefit of the citizens of this Commonwealth and for the improvement of their commerce and prosperity. Since the commission will be performing essential government functions in effectuating these purposes, the commission shall not be required to pay any tax or assessment on any property acquired or used by it for the purposes provided under this chapter. A bond, note or other obligation issued by the commission, its transfer and the income from its issuance and transfer, including any profits made on the sale of the bond, note or other obligation, shall be free from taxation within the Commonwealth.

§ 9511.8. Costs related to Federal income tax matters.

Tax matter costs incurred by the commission in connection with any proceeding of or filing with the Internal Revenue Service concerning the use of proceeds of bonds issued under this chapter shall be paid or reimbursed from available funds in the motor license fund. Tax matter costs shall include all of

1 the following:

2 (1) Fees of tax counsel or arbitrage rebate calculation
3 providers.

4 (2) Arbitrage rebate payments to the extent not properly
5 payable from funds held under the bond indenture.

6 (3) Settlement payments to the Internal Revenue Service,
7 either in relation to an examination initiated by the
8 Internal Revenue Service or a closing agreement requested by
9 the commission.

10 (4) Payments to bondholders as a result of claims based
11 on pending, threatened or actual assessments of tax, interest
12 or penalties by the Internal Revenue Service.

13 (5) Any other cost reasonably related to a proceeding by
14 or filing with the Internal Revenue Service concerning the
15 use of proceeds of the bonds.

16 § 9511.9. Special revenue refunding bonds.

17 The commission is authorized to provide, by resolution, for
18 the issuance of special revenue refunding bonds of the
19 commission for the purpose of refunding any special revenue
20 bonds, notes or other obligations issued under the provisions of
21 this chapter and then outstanding. The issuance of the special
22 revenue refunding bonds, the maturities and other details of the
23 bonds, the rights of the holders of the bonds and the duties of
24 the department and of the commission with respect to the bonds
25 shall be governed by the provisions of this chapter.

26 § 9511.10. Remedies of trustees and of holders of obligations.

27 (a) Grant of rights.--A holder of a bond, note or other
28 obligation issued under this chapter and the trustee under the
29 trust indenture may, either at law or in equity, by suit,
30 action, mandamus or other proceeding, do all of the following:

1 (1) Protect and enforce any right granted under this
2 chapter or under the resolution or trust indenture.

3 (2) Enforce and compel performance of all duties
4 required under this chapter or by resolution or trust
5 indenture to be performed by the commission or any of its
6 officers, including the collection of the pledged revenues.

7 (b) Exception.--Rights given under this chapter may be
8 restricted by resolution passed before the issuance of the
9 bonds, notes or other obligations or by the trust indenture.

10 § 9511.11. Pledged revenues.

11 (a) Annual debt service payments.--Upon receipt by the
12 department of the annual debt service payments, the department
13 shall pay them to the trustee for the holders of the bonds
14 issued under section 9511.2 (relating to special revenue bonds).

15 (b) Payment default.--

16 (1) The department shall notify the State Treasurer if
17 the department receives a notice from the trustee which:

18 (i) indicates that a default in the payment by the
19 commission on its regularly scheduled deposits with
20 respect to debt service on the bonds has occurred; and

21 (ii) indicates the amount required to remedy the
22 default.

23 (2) Upon notice under paragraph (1), the State Treasurer
24 shall do all of the following:

25 (i) Notwithstanding section 9010 (relating to
26 disposition and use of tax), transfer to the trustee from
27 funds in the Motor License Fund as a result of the
28 imposition of the tax under section 9004(a) (relating to
29 imposition of tax, exemptions and deductions) the amount
30 necessary to remedy the default under paragraph (1)(ii).

1 (ii) If funds in the Motor License Fund as a result
2 of the imposition of the tax under section 9004(a) are
3 not sufficient to remedy the default under paragraph (1)
4 (ii) and notwithstanding section 9511 (relating to
5 allocation of proceeds), transfer to the trustee from
6 funds in the Motor License Fund as a result of the
7 imposition of the tax under section 9502(a)(1), (2)(i),
8 (ii), (iii) and (iv) and (3)(ii) (relating to imposition
9 of tax), an amount necessary, when combined with any
10 funds transferred under subparagraph (i), to remedy the
11 default.

12 (iii) If funds in the Motor License Fund as a result
13 of the imposition of the tax under sections 9004(a) and
14 9502(a)(1), (2)(i), (ii), (iii) and (iv) and (3)(ii) are
15 not sufficient to remedy the default under paragraph (1)
16 (ii) and notwithstanding the provisions of section 20 of
17 Act 3, transfer to the trustee from funds in the Motor
18 License Fund as a result of the imposition of fees
19 specified under sections 1912 (relating to passenger
20 cars), 1913 (relating to motor homes), 1914 (relating to
21 motorcycles), 1915 (relating to motor-driven cycles),
22 1916 (relating to trucks and truck tractors), 1917
23 (relating to motor buses and limousines), 1921 (relating
24 to special mobile equipment), 1922 (relating to
25 implements of husbandry), 1923 (relating to antique,
26 classic and collectible vehicles), 1924 (relating to farm
27 vehicles), 1925 (relating to ambulances, taxis and
28 hearses), 1926 (relating to dealers and miscellaneous
29 motor vehicle business), 1926.1 (relating to farm
30 equipment vehicle dealers), 1927 (relating to transfer of

1 registration), 1929 (relating to replacement registration
2 plates), 1932 (relating to duplicate registration cards),
3 1933 (relating to commercial implements of husbandry) and
4 1952 (relating to certificate of title), net of amounts
5 appropriated to the commission under section 20 of Act 3,
6 an amount necessary, when combined with funds transferred
7 under subparagraphs (i) and (ii), to remedy the default.

8 (c) Commonwealth pledge.--This subsection shall operate as a
9 pledge by the Commonwealth to an individual or entity that
10 acquires a bond issued by the commission under section 9511.2:

11 (1) to secure the portion of the money described under
12 this section and distributed under this section; and

13 (2) to not limit or alter the rights vested in the
14 commission or the trustee for the bonds to the appropriation
15 and distribution of money set forth under this section.

16 § 9511.12. (Reserved).

17 § 9511.13. Supplement to other laws and liberal construction.

18 This chapter shall be regarded as supplemental and additional
19 to powers conferred by other statutes and shall not be regarded
20 as in derogation of any powers existing on the effective date of
21 this section. The provisions of this chapter, being necessary
22 for the welfare of the Commonwealth and its citizens, shall be
23 liberally construed to effect the purposes of this chapter.

24 § 9512. Severability of provisions.

25 If any provision of this chapter or the application thereof
26 to any person or circumstance is held invalid, the remainder of
27 the chapter and the application of such provisions to other
28 persons or circumstances shall not be affected thereby.]

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