



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 700

PRINTERS NO. 1320

PRIME SPONSOR: Scarnati

COST / (SAVINGS)

| FUND | FY 2012/13 | FY 2013/14 |
|--|------------|------------|
| Port Authority of Allegheny County Funds | \$0 | Minimal |
| Public Transportation Trust Fund | \$0 | \$150,000 |

SUMMARY: Changes the structure and membership of the Board of the Port Authority of Allegheny County to provide for legislative oversight. This legislation also provides for a transit regionalization and privatization study to be done by PennDOT. This legislation would take effect immediately.

ANALYSIS: This legislation amends Section 6 of the Second Class County Port Authority Act to change the structure and membership of the Board that exercises the powers of the Port Authority of Allegheny County.

Board Composition: The legislation expands the Board from not more than nine members to eleven members:

- Six members shall be appointed by the Allegheny County Executive. Two of those appointees must come from a recommended list of candidates supplied by the following organizations: The Allegheny Conference, the Southwestern Pennsylvania Commission, the Council of Governments with constituent members in the county, and the Committee for Accessible Transportation. Those two appointees are subject to confirmation by a majority vote of the members of County Council.
- The Governor shall appoint one member.
- The President pro tem and the Minority Leader of the Senate, and the Speaker and Minority Leader of the House of Representatives shall each appoint one member.

The Governor's appointee shall be a PA resident. All other appointees shall be residents of Allegheny County and have expertise or substantial experience in budgeting, finance, economic development, transportation, or mass transit operations.

Terms of Office: The terms of members currently serving on the Board on the effective date of this legislation shall expire within 60 days. Nothing in this legislation prohibits a current member from being reappointed.

Appointing authorities shall appoint initial board members within 60 days of enactment:

- Members appointed by the Governor and the Senate shall serve four-year terms.
- Members appointed by the House shall serve an initial three-year term, to be followed thereafter by a four-year term.
- Two members appointed by the County Executive shall serve an initial term of two as designated by the County Executive and two members appointed by the County Executive shall serve an initial term of three years.

No member shall serve more than three consecutive terms, including initial term. If a vacancy occurs because of the death, resignation, or removal of a member, the designated appointing authority shall appoint a successor to fill the unexpired term within 60 days.

Transit Regionalization and Privatization Study: PennDOT shall study the feasibility of consolidating the Port Authority of Allegheny County with other local transit agencies within geographical proximity as a means of reducing annual expenses or increasing annual revenues. The study shall examine the possible creation of service regions to determine whether consolidation will reduce annual expenses or increase annual revenues.

PennDOT shall study the potential privatization of Port Authority of Allegheny County services as a means of reducing annual expenses or increasing annual revenues. PennDOT shall submit a report of its findings and recommendations to the Governor, the General Assembly, and the Port Authority of Allegheny County within 270 days of enactment of this legislation.

Quorum and Board Action: The legislation would establish that seven members of the board shall constitute a quorum. The legislation also provides that board action on adopting bylaws, appointing a CEO, authorizing bonds, borrowing, leasing and approving contracts over \$5 million shall be tabled upon motion and second by two of the four board members appointed by the General Assembly.

FISCAL IMPACT: According to PennDOT, the feasibility study would be a one-time cost of \$150,000. This project would be outsourced through a private contractor, who would study the feasibility of consolidation within nine months and report their findings back to PennDOT. That cost could be absorbed within currently available funds.

This legislation would have a minimal fiscal impact on the Port Authority of Allegheny operating budget as the Board would be expanded from nine to eleven members. Board members are eligible for compensation as determined by the county executive as well as reimbursable expenses incurred during their performance of their duties.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 29, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.