



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

SENATE BILL NO. 286

PRINTERS NO. 1437

PRIME SPONSOR: Rafferty

### COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
Delaware River Port Authority Funds	\$0	\$0

**SUMMARY:** Amends the Delaware River Port Authority Interstate Compact to enact comprehensive reforms. The majority of the legislation shall take effect immediately, upon publication of notice in the PA Bulletin that Congress has approved the compact as enacted by both Pennsylvania and New Jersey. The amendment of Article II requiring Senate confirmation of the Governor's six appointees shall take effect December 31, 2018.

**ANALYSIS:** Amends the Delaware River Port Authority Interstate Compact between Pennsylvania and New Jersey to enact comprehensive reforms.

**This legislation would reform current practices and increases transparency by:**

- Removing the ability of the Delaware River Port Authority (DRPA) to engage in economic development activity.
- Requiring DRPA adherence to the open records (Right-To-Know) laws of either state, as selected by the person or entity making the request for records.
- Requiring the adoption of open meetings (Sunshine) rules/regulations within 6 months of enactment, derived from each state's Sunshine laws.
- Requiring 30 days public notice prior to any vote concerning a contract.
- Prohibiting DRPA from negotiating, extending, amending or otherwise altering the terms of a contract, or entering into a contract, unless the action is taken by the DRPA board at a public meeting.
- Requiring biennial budget audits, biennial performance audits and a biennial review of compensation for all DRPA employees.
- Prohibiting DRPA management from receiving their salaries until audits are complete.
- Requiring board members to file financial interest statements and identify any potential conflicts of interest in writing in advance of board meetings.
- Requiring current and prospective vendors to disclose a list of political contributions annually and for the prior four years.
- Prohibiting charitable contributions by board members and officers on behalf of DRPA.
- Prohibiting DRPA officers and employees (at the director level and higher) from being employed by an entity that does business with DRPA for two years after the individual leaves DRPA service.

- Prohibiting officers and employees at the director level or higher from holding outside employment during their tenure at DRPA.
- Prohibiting political activity using DRPA time or resources.
- Requiring the use of best practices in procurement and the acceptance of bid proposals online.
- Prohibiting any transaction or professional activity or engagement in any outside business that presents a conflict of interest with DRPA duties.

**Limits DRPA board member, officer and employee “perks” by:**

- Prohibiting vehicle allowances, toll exemptions, and lump sum expense allowances. (An exception is provided for persons operating under a collective bargaining agreement which provides for toll exemptions.)
- Prohibiting any personal lines of credit from DRPA.
- Prohibiting the acceptance of any gifts that could affect the conduct of DRPA business.
- Prohibiting the hiring of immediate family members of current commissioners, officers, directors or employees.
- Restricting salaries to be no higher than those of the Governors of Pennsylvania and New Jersey.

**Makes the appointment process more fair and transparent by:**

- Requiring Senate confirmation of each of the Governor’s six appointees to the DRPA board in order to provide for legislative involvement in the appointment process.

**Provides for more input by consumers by:**

- Creating a Port Authority Transit Corporation (PATCO) Commuter Council to study, investigate, monitor and make recommendations pertaining to the maintenance and operation of PATCO’s facilities for the transportation of passengers.

**FISCAL IMPACT:** This legislation would have no adverse fiscal impact on Commonwealth funds. There would be some provisions that would likely add expenses to the Delaware River Port Authority such as the biennial audit requirement and some that would likely reduce expenses such as prohibiting vehicle allowances and toll exemptions. It is believed that the net effect of the requirements within the legislation would create no adverse fiscal impact on the Delaware River Port Authority.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** September 27, 2016

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