



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1028

PRINTER'S NO. 1361

PRIME SPONSOR: Matzie

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
PUC Restricted Funds	\$0	\$880,000
General Fund	\$0	\$0

SUMMARY:

HB 1028 provides for prohibition on blocking of crossings, limits the length of freight or work trains, authorizes the monitoring of safety practices and operations, sets safe train staffing levels, and creates reporting systems for the transportation of hazardous materials and waste. Furthermore, it addresses the standards, oversight, and maintenance of wayside detector systems, a study of the transportation of hazardous materials/waste, and for additional oversight of railroad company safety compliance. This legislation would take effect in 180 days.

ANALYSIS:

HB 1028 PN 1361 amends Title 66 (Public Utilities) Chapter 27 of the Pennsylvania Consolidated Statutes by adding:

- Section 2710 – Prohibition on blocking of crossings - \$10,000 penalty per violation
- Section 2711 – Limits the length of freight or work trains to less than 8,500 feet
- Section 2712 – Authorizes for monitoring of safety practices and operations
 - As amended, the bill removes the Department of Transportation as a regulatory authority, and places them in an advisory role
- Section 2713 – Sets safe train staffing levels and provides for penalties for violations
 - \$1,000 to \$5,000 for the first offence within a three-year period
 - \$5,000 to \$10,000 for a second offence within a three-year period
 - \$10,000 to \$25,000 for subsequent violations within a three-year period
 - As amended, the bill exempts smaller railroads (Class II or III) from the provisions of this section
- Section 2714 – Sets standards, oversight, and maintenance of wayside detector systems
 - As amended the bill exempts tracks (Class IV or greater) from the provisions of this section
- Section 2715 – Provides for the study of transportation of hazardous materials or waste
- Section 2716 – Creates reporting system for transportation of hazardous materials or waste

FISCAL IMPACT:

Implementation of this legislation imposes the following obligations on the Public Utilities Commission (PUC), including associated record keeping duties:

- Monitoring railroad compliance with provisions relating to blocking of crossings and train staffing levels
- Imposing and collecting civil penalties levied against railroads and/or individuals for violating provisions of the bill
- Adjudicating any objections raised by railroads and/or individuals subject to fines
- Requiring rail safety inspectors to address additional issues, including the length of freight trains, staffing, and certification of wayside detector systems
- Investigating railroad safety practices and reporting to the Federal Railroad Administration (FRA), the results of an investigation and recommendations for enforcement action
- Studying pertinent state and federal laws, with respect to the transportation of hazardous materials and/or waste by rail, and reporting the result of the study to the General Assembly
- Promulgating regulations for the creation of a reporting system for the transportation of hazardous materials and/or waste by rail

According to PUC, the primary impact of HB 1028 PN 1361 is the related increase in workload for staff in the following areas:

- Bureau of Technical Utility Services' Rail Safety Division
- Fiscal and Assessment Division
- Bureau of Investigation and Enforcement
- Office of Administrative Law Judge
- Office of Special Assistants
- Law Bureau

As a result of the increased workload, the PUC anticipates the need for additional staff and associated resources, in addressing provisions of this legislation. Specifically, the enactment of this bill would require the hiring of an additional six (6) staff.

HB 1028 PN 1361 Projected Annual Costs					
Position	# Employees	Annual Salary	Benefits	Overhead	Total
<i>Rail Safety Inspector</i>	2	\$ 60,558	\$ 42,391	\$ 12,112	\$ 230,120
<i>Administrative Law Judge</i>	1	\$ 114,719	\$ 80,303	\$ 22,944	\$ 217,966
<i>Attorney II</i>	1	\$ 86,064	\$ 60,245	\$ 17,213	\$ 163,522
<i>Attorney III</i>	1	\$ 98,309	\$ 68,816	\$ 19,662	\$ 186,787
<i>Administrative Support</i>	1	\$ 42,856	\$ 29,999	\$ 8,571	\$ 81,426
					\$ 879,822

The PUC allocates overhead costs at 20 percent of a full-time employee's annual salary. This indirect cost percentage has been approved and used for federal grants. Furthermore, the overhead figures include an estimate for the development and upkeep of the database related to a reporting system concerning the transportation of hazardous materials and/or waste.

Rail safety inspector staffing is a function of an increase in the number of wayside detector systems for tracks classified Class IV or above. The inspection of such systems falls under the oversight of Signal & Train Control (S&TC) certified inspectors. Furthermore, based on common practices, Rail Safety Track Inspectors will coordinate with S&TC inspectors to monitor system installations and inspections.

In consideration of the added volume of work associated with monitoring and inspection of the additional wayside detection systems, the PUC estimates the need for two (2) rail safety inspectors.

In total, the estimated fiscal impact of this legislation is \$880,000.00 for FY 2023/24. The additional staff and resources needed to implement HB 1028 PN 1361 would be allocated to the railroad industry via the Commission's assessment process, thus there would be no need for General Fund dollars.

PREPARED BY: Gueorgui Tochev
House Appropriations Committee (D)

DATE: June 5, 2023

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