

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1

PRINTER'S NO. 1026

AMOUNT

See Analysis Below

FUND

General Fund
Motor License Fund
Public Transportation Trust Fund
Multimodal Transportation Fund
Historical Preservation Fund
Zoological Enhancement Fund
Gov. Robert P. Casey Memorial Organ and Tissue
Donation Awareness Trust Fund

DATE INTRODUCED

May 3, 2013

PRIME SPONSOR

Senator Rafferty

HISTORY OF BILL

Referred to TRANSPORTATION, May 3, 2013
Reported as committed, May 7, 2013
First consideration, May 7, 2013
Second consideration, May 14, 2013
Re-referred to APPROPRIATIONS, May 14, 2013

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1 makes broad changes and reforms to the existing funding structure for mass transportation, highways, bridges and ports and waterways.

Specifically, Senate Bill 1 amends Titles 20 (Decedents, Estates and Fiduciaries), 74 (Transportation) and 75 (Vehicles) of the Pennsylvania Consolidated Statutes by doing all of the following:

Amendments to Title 20 (Decedents, Estates and Fiduciaries)

- Provides for an increased donation by applicant's for driver's licenses and renewal vehicle registrations, to the Governor Robert P. Casey Memorial Organ and Tissue Donation Fund.

Amendments to Title 74 (Transportation)

- Makes changes to the definitions of "Base Operating Allocation" and "Capital Expenditure;"

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- Provides for an incremental shift of \$165 million of the current \$200 million Pennsylvania Turnpike Commission (PTC) payment to the Motor License Fund (MLF) for highway and bridge uses to the Public Transportation Trust Fund (PTTF) for transit uses, beginning in fiscal year 2013-14;
- Provides that certain revenues generated from a new \$100 surcharge on certain violations of Title 75 and violations of 75 PA. C.S. §3111 be deposited into the PTTF;
- Provides for an incremental decrease in PTC payments to the Operating Assistance Program for transit agencies over a five year period;
- Increases the amount of sales and use tax (deposited in the PTTF) that is allocated for the Operating Assistance Program for transit agencies;
- Provides for incrementally increasing percentages of fee revenue currently deposited in the MLF;
- Deletes language applicable to past fiscal years;
- Provides that 95% of the remaining PTC payment revenue, after the allocation of \$30 million to the new Multi-Modal Fund, shall be allocated to the Asset Improvement Program (transit capital funding);
- Provides that certain revenues generated from a new \$100 surcharge on certain violations of Title 75 and violations of 75 PA. C.S. §3111 be allocated to the Asset Improvement Program;
- Directs all remaining revenue from the PTC payment to Programs of Statewide Significance;
- Tightens requirements for transit agencies in submitting evidence of ability to meet local match requirements;
- Provides that a waiver for use of funds provided by the Pennsylvania Department of Transportation (Department) may not exceed the duration of a plan of corrective action put in place as part of the Department waiver;
- Provides for consolidation of transit agencies dependent on the results of a consolidation study;
- Establishes a percentage-based distribution of capital funding for transit agencies;
- Expands the Shared Ride Program for Persons with Disabilities into Allegheny County;
- Provides for short-term demonstration projects to transition into public passenger transportation service and receive funding under the Operating Assistance Program;
- Repeals §1517 relating to the Capital Improvements Program;
- Adds a new chapter establishing a special fund to be known as the Multimodal Transportation Fund (MTF) for the purposes of providing grant funding for rail freight, rail passenger service, aviation, ports and waterways, road and bridge projects, and bicycle and pedestrian related projects;

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Provides for the following sources of funding for the MTF:

- \$30 million of the PTC payment for transit agencies;
- 23% of the Title 75 fees to be deposited in the PTF; and
- Beginning in FY 2015-2016, \$20 million of Oil Company Franchise Tax (OCFT) revenue.
- Provides for the following distributions from the MTF:
 - \$6 million for aviation;
 - \$6 million for rail freight;
 - \$4 million for rail passenger service; and
 - \$4 million for ports and waterways.
- Provides that projects under the MTF would require a local match equal to 30% of the non-federal share of the project cost;
- Makes changes to certain definitions to facilitate enforcement of non-payment on tolled facilities;
- Provides for a return to the pre-Act 44 term of office for PTC commissioners who have not been re-appointed or who have not been re-confirmed by the Senate;
- Limits PTC commissioners to serving no more than two terms;
- Provides for a means of collecting unpaid tolls on the Pennsylvania Turnpike and suspension of vehicle registration under certain circumstances;
- Provides for a "traffic signal synchronization" program between the Department and municipalities for the purposes of upgrading and synchronizing signals in certain designated traffic corridors; and
- Provides for a "bridge bundling" program to "bundle" state owned and/or locally owned bridges for the purposes of design and construction.

Amendments to Title 75 (Vehicles)

- Changes vehicle registration renewal periods to two years, versus the current one year renewal period;
- Provides for inflationary increases to the additional fees paid by registrants for the following specialty plates:
 - Preserve our Heritage;
 - Zoological; and
 - DARE.
- Deletes the Flagship Niagara commemorative registration plate, which has been discontinued by the Department;
- Provides for vehicle registration suspension of vehicles for toll violations in other states that have entered into enforcement agreements with the Commonwealth;
- Changes driver's license renewal periods to six years, versus the current four year renewal period;

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- Provides for inflationary increases to the fees for occupational limited licenses and probationary licenses;
- Provides for inflationary increases to the fees for commercial driver's licenses;
- Provides for an optional \$500 fine in lieu of serving a driver's license and/or vehicle registration suspension for failure to carry automobile insurance;
- Redirects the aforementioned "unprotected" fees currently deposited in the MLF to the PTF;
- Provides for inflationary increases to the fees charged under Chapter 19 (relating to fees) beginning on July 1, 2016 and on July 1 of every third year thereafter;
- Provides for initial inflationary increases to the fees charged under Chapters 19 (relating to fees) and 21 (relating to Motor Carriers Road Tax Identification Markers);
- Phases in initial inflationary increases to trucks and truck tractors over a three year period;
- Provides for a sliding fine scale of \$100 to \$300 for violations of §3111 (obedience to traffic control devices);
- Provides that any revenue collected above \$25 for the above mentioned §3111 violations be deposited in the PTF, specifically for the Asset Improvement program;
- Provides for a surcharge of \$100 for each conviction of a violation of offenses enumerated under the following chapters of Title 75:
 - Chapter 11 (relating to certificate of title and security interests);
 - Chapter 13 (relating to registration of vehicles);
 - Chapter 15 (relating to licensing of drivers);
 - Chapter 16 (relating to commercial drivers);
 - Chapter 17 (relating to financial responsibility);
 - Chapter 19 (relating to fees);
 - Chapter 21 (relating to motor carriers road tax identification markers);
 - Chapter 31 (relating to general provisions);
 - Chapter 33 (relating to rules of the road in general);
 - Chapter 35 (relating to special vehicles and pedestrians);
 - Chapter 37 (relating to miscellaneous provisions);
 - Chapter 38 (relating to driving after imbibing alcohol or utilizing drugs);
 - Chapter 41 (relating to equipment standards);
 - Chapter 43 (relating to lighting equipment);
 - Chapter 45 (relating to other required equipment);
 - Chapter 47 (relating to inspection of vehicles);
 - Chapter 49 (relating to size, weight and load);
 - Chapter 61 (relating to powers of department and local authorities);

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- Chapter 63 (relating to enforcement);
- Chapter 65 (relating to penalties and disposition of fines);
- Chapter 71 (relating to vehicle theft and related provisions);
- Chapter 73 (relating to abandoned vehicles and cargos);
- Chapter 75 (relating to messenger service);
- Chapter 77 (relating to snowmobiles and all-terrain vehicles);
- Chapter 83 (relating to hazardous materials transportation);
- Chapter 90 (relating to liquid fuels and fuels tax);
- Chapter 94 (relating to liquid fuels and fuel use tax enforcement); and
- Chapter 96 (relating to motor carriers road tax).
- Provides for inflationary increases to the fees related to snowmobiles and All-Terrain Vehicles;
- Terminates Act 44 payments from the PTC to the Department at the end of FY 2020-2021;
- Provides for an incremental shift of current Act 44 payments from the PTC to the MLF to the PTF beginning with a shift of \$20 million in FY 2013-2014 and increasing to a shift of \$165 million in FY 2017-2018;
- Changes the definition of "Average Wholesale Price" (AWP) when used to calculate the rate of the OCFT;
- Provides for a three year phase out of the current \$1.25 AWP cap;
- Establishes the following AWP's:
 - \$1.87 on July 1, 2013;
 - \$2.49 on January 1, 2014;
 - \$3.11 on January 1, 2015; and
 - Beginning January 1, 2016 the rate would be determined by the existing formula under the definition of AWP, but this legislation establishes a floor of \$2.49.
- Decreases the rate of the liquid fuels and fuels tax in FY 2013-2014 by one cent and another one cent in FY 2014-2015 and then reverts back to the current rate on July 1, 2015;
- Provides for a \$10 million increase to the Dirt and Gravel Road Program through additional OCFT revenue;
- Provides for an annual transfer of \$20 million of OCFT revenues into the newly created MTF;
- Decreases the annual distributions of the OCFT revenues to county maintenance districts;
- Increases the annual allocation of the OCFT revenues for highway construction;
- Reallocates Act 3-1997 imposed millage of the OCFT revenues currently restricted to maintenance and distributed under the Highway Maintenance formula;

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- Reallocates Act 32-1983 imposed millage of the OCFT revenues to allow for a portion of those revenues to be deposited in the Highway Bridge Improvement Restricted Account for local bridges.

This act shall take effect in 60 days.

FISCAL IMPACT:

Enactment of Senate Bill 1 would generate approximately \$2.5 billion additional annual funding by FY 2017-2018, to be utilized for transportation related infrastructure and operating subsidies. Many of these funding proposals were included in the Transportation Funding Advisory Commission (TFAC) final report on long-term transportation funding options.

The following charts show the estimated revenue sources and transportation modes of which those revenues are expended for during the next two fiscal years.

Highway & Bridge Funding:		
Revenue Source:	FY 2013-14	FY 2014-15
Uncapping the OCFT	\$869,056,586	\$1,576,734,788
Liquid Fuels Tax Reduction	(\$57,900,000)	(\$121,000,000)
Biennial Registration	\$292,115,207	
Fee in Lieu of Suspension	\$5,000,000	\$5,000,000
Fee Adjustments	\$328,520,276	\$372,313,711
Total Highway & Bridge Funding:	\$1,436,792,069	\$1,833,048,499

Transit Funding:		
Revenue Source:	FY 2013-14	FY 2014-15
Unprotected Fees	\$26,856,901	\$26,856,901
Act 44 Shift	\$55,000,000	\$55,000,000
Title 75 Fine Surcharge	\$75,546,228	\$89,531,877
§3111 Sliding Fine Scale	\$25,500,000	\$25,500,000
Total Transit Funding:	\$182,903,129	\$196,888,778

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Multimodal Funding: (Aviation, Rail Freight, Passenger Rail, Ports)		
Revenue Source:	FY 2013-14	FY 2014-15
Unprotected Fees	\$61,770,872	\$61,770,872
Act 44 Shift	\$30,000,000	\$30,000,000
Total Multimodal Funding:	\$91,770,872	\$91,770,872

Total Additional Transportation Funding	
FY 2013-14	FY 2014-15
\$1,711,466,071	\$2,121,708,149