

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 170

**PRINTER NO.** 146

**AMOUNT**

No Fiscal Impact

**FUND**

DRPA General Operating Fund

**DATE INTRODUCED**

January 20, 2017

**PRIME SPONSOR**

Senator Rafferty

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 170, Printer's Number 146 amends Act 200 of 1931, which provided for the Commonwealth of Pennsylvania to enter into a compact with the State of New Jersey establishing the Delaware River Port Authority (DRPA). The Act further sets forth the parameters of the compact.

DRPA is responsible for the upkeep and maintenance of four bridges crossing the Delaware River between Pennsylvania and New Jersey and the Port Authority Transit Corporation (PATCO) commuter rail line between South Jersey and Philadelphia. This bi-state agency is funded by the tolls that commuters pay to cross the bridges.

This legislation reforms the DRPA Interstate Compact with the State of New Jersey by placing a number of measures in Pennsylvania law concerning the governance of DRPA.

In order to amend this compact, the Commonwealth of Pennsylvania and the State of New Jersey must adopt the same reforms and the new compact must then be approved by Congress.

Changes to Article II of the Compact are as follows:

- Requires that the six DRPA Commissioners that are appointed by the Governor of Pennsylvania and do not serve ex-officio, be confirmed by a majority of the members of the Senate of Pennsylvania. The remaining two Commissioners, the Auditor General and the Treasurer of Pennsylvania, serve in an Ex-Officio capacity and do not require Senate Confirmation;

Changes to Article IV of the Compact are as follows:

- Prohibits the expenditure of funds for economic development purposes;
- Prohibits the Pennsylvania and New Jersey Commissioners meeting in separate state caucuses;
- Provides that DRPA shall be subject to Pennsylvania's or New Jersey's open meeting laws, whichever is more stringent;

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- Requires that any action taken to enter into or alter the terms of a contract shall be voted on and approved by the Board of Commissioners (Board) in a public meeting;
- Prohibits 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;
- Subjects the DRPA to the requirements of the Commonwealth Procurement Code and all pertinent laws of the State of New Jersey;
- Requires biennial budget audits, biennial performance audits and a biennial review of compensation for all DRPA employees;
- Prohibits DRPA management from receiving their salaries until audits are complete;
- Requires Commissioners to disclose any conflict of interest having to do with entities that are the subject of a Board action prior to a Board meeting;
- Prohibits Commissioners, officers, directors and employees from having an interest in a business organization or from engaging in any business or professional activity that would constitute a substantial conflict of interest with official duties;
- Prohibits Commissioners, officers, directors and employees from directly or indirectly soliciting or influencing the employment of an individual by any entity doing business with DRPA;
- Prohibits Commissioners, officers, directors, and employees, as well as their immediate family members, from soliciting or accepting certain gifts;
- Prohibits DRPA from entering into a contract with an entity owned by a Commissioner, officer, director, employee or relative of such an individual;
- Prohibits 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;
- Prohibits officers and employees (at the director level and higher) to hold outside employment during their tenure at DRPA;
- Prohibits political activity using DRPA time or resources;
- Requires Commissioners to file financial interest statements in accordance with the laws of the state from which a Commissioner is appointed;
- Commissioners, officers, directors, and employees or their immediate family members are prohibited from exerting undue influence concerning any DRPA action, including contracting and the hiring or dismissal of any employees;
- Requires current and prospective vendors to disclose a list of political contributions annually and for the prior four years;
- Establishes a compensation ceiling equal to the higher of the salaries of the Governor of Pennsylvania and the Governor of the State of New Jersey;

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- Prohibits vehicle allowances, toll exemptions (an exception is provided for persons operating under a collective bargaining agreement which provides for toll exemptions), and lump sum expense allowances;
- Provides that an excepted person operating under a collective bargaining agreement shall not use or allow the use of the exemption by any other person and, if the unauthorized use occurs, the excepted person shall forfeit the exemption;
- Prohibits any personal lines of credit from DRPA;
- Prohibits entities doing business with DRPA from sharing or equalizing payments made by DRPA;
- Stipulates that the DRPA shall be subject to the Pennsylvania Right-to-Know Law or the New Jersey Open Public Records Act, as selected by the individual or entity requesting records;
- Authorizes the Attorney General of the Commonwealth of Pennsylvania and the Attorney General of the State of New Jersey to enforce the provisions of the compact;
- Establishes the Port Authority Transit Corporation (PATCO) Commuter's Council (Council) to study, investigate, monitor, and make recommendations regarding the operation and maintenance of PATCO's facilities; and
- Stipulates that the Council shall be composed of four residents of Pennsylvania and four residents of New Jersey, who shall serve four-year terms and regularly commute using PATCO. Members of the Council shall be appointed by their respective Governors, and Pennsylvania members shall be confirmed by the Senate of Pennsylvania.

The amendment of Article II of the Compact shall take effect December 31, 2018 and the remainder of this Act shall take effect immediately.

### **FISCAL IMPACT:**

The enactment of this legislation will have no adverse fiscal impact to any of the Delaware River Port Authority's funds or Commonwealth funds.