

## AN ACT

1 Establishing the Keystone Transit Program; and providing a  
2 transfer of funds from the Oil and Gas Lease Fund to the  
3 Department of Environmental Protection for a competitive  
4 grant program for the transition of small mass transit bus  
5 fleets to compressed natural gas.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Keystone  
10 Transit Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall  
13 have the meanings given to them in this section unless the  
14 context clearly indicates otherwise:

15 "Department." The Department of Environmental Protection of  
16 the Commonwealth.

17 "Mass transit authority." An operator of regularly scheduled  
18 transportation that is available to the general public and is  
19 provided according to published schedules along designated

1 published routes with specified stopping points for the taking  
2 on and discharging of passengers. The term does not include  
3 exclusive ride taxi services, charter or sightseeing services,  
4 nonpublic transportation or school bus or limousine services.

5 "Program." The Keystone Transit Program.

6 "Small mass transit authority." A mass transit authority  
7 located in this Commonwealth that does not exceed 245,000  
8 revenue vehicle hours for two consecutive years.

9 Section 3. Keystone Transit Program.

10 (a) Establishment.--The department shall establish and  
11 administer the Keystone Transit Program.

12 (b) Purpose.--The program is established in order to  
13 decrease emissions from mass transit buses by utilizing natural  
14 gas as a vehicle fuel.

15 (c) Transfer of funds.--The State Treasurer shall transfer  
16 from the Oil and Gas Lease Fund to the department the sum of  
17 \$5,000,000 to fund the program.

18 (d) Use of funds.--The sum of \$5,000,000 shall be used to  
19 fund competitive grants available to small mass transit  
20 authorities for the conversion of buses to run on solely  
21 compressed natural gas as a fuel source or to purchase buses  
22 which use solely compressed natural gas as a fuel source.

23 (e) Application process.--

24 (1) A mass transit authority must complete and submit to  
25 the department a keystone transit grant application.

26 (2) Approved applications must obligate the mass transit  
27 authority to contract with a private company:

28 (i) to build exclusively with private funds; and

29 (ii) to maintain and operate any new compressed  
30 natural gas fueling facility necessary to support

1 compressed natural gas buses purchased with funds  
2 received under this act.

3 (3) The term "operate" as used in this subsection shall  
4 not include the actual act of fueling buses.

5 (f) Eligible costs.--

6 (1) Grant funds received under this act shall be  
7 eligible for:

8 (i) Federally assisted bus purchases and shall be  
9 limited to the total percentage of the State and local  
10 match portion applied only to the incremental cost of a  
11 new compressed natural gas bus or compressed natural gas  
12 bus conversion.

13 (ii) Nonfederally assisted bus purchases and shall  
14 be limited to 50% of the total incremental cost of a new  
15 compressed natural gas bus or compressed natural gas bus  
16 conversion.

17 (2) The incremental cost shall be capped at \$50,000 for  
18 buses which have a gross vehicle weight rating over 26,000  
19 pounds and \$25,000 for buses with a gross vehicle weight  
20 rating of 26,000 pounds and under.

21 (3) Buses with a gross vehicle weight rating of 14,000  
22 pounds or less shall be ineligible.

23 (4) Priority shall be given to those applications which  
24 provide for public access to compressed natural gas vehicle  
25 fueling dispensers.

26 (g) Grant program.--The department shall establish a formula  
27 and method for awarding of grants under the program consistent  
28 with this act.

29 (h) Appeal process.--Applicants that are not awarded grants  
30 under this act shall not have the right to a hearing or the

1 issuance of an adjudication under section 4 of the act of July  
2 13, 1988 (P.L.530, No.94), known as the Environmental Hearing  
3 Board Act, regarding the department's decision.

4 Section 20. Effective date.

5 This act shall take effect in 60 days.