

HB 840

AN ACT

Amending Titles 74 (Transportation) and 75 (Vehicles) of the Pennsylvania Consolidated Statutes, codifying provisions relating to public transportation; imposing certain fees and taxes; further providing for certain Pennsylvania Turnpike projects; defining "farm equipment"; further providing for the responsibilities of vehicle transferees, for exemptions from registration and certificates of title and for the use of dealer plates, multipurpose dealer plates and farm equipment plates; further providing for funeral processions; further providing for a restricted receipts fund and for registration for snowmobiles and ATV's; establishing the Snowmobile Trail Advisory Committee; further providing for the highway maintenance and construction tax; and making repeals.

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

Section 1. Title 74 of the Pennsylvania Consolidated Statutes is amended by adding parts to read:

PART II
PUBLIC TRANSPORTATION

Chapter

- 11. Preliminary Provisions
- 13. Public Transportation Assistance
- 15. Metropolitan Transportation Authorities

CHAPTER 11
PRELIMINARY PROVISIONS

Sec.

1101. Short title of part.

§ 1101. Short title of part.

This part shall be known and may be cited as the Public Transportation Law.

CHAPTER 13
PUBLIC TRANSPORTATION ASSISTANCE

Sec.

- 1301. Definitions.
- 1302. Program authorizations.
- 1303. Annual appropriation and computation of subsidy.
- 1304. Grant proposals.
- 1305. Rules and regulations.
- 1306. Cooperation with other governments and private interests.
- 1307. General authority of department.
- 1308. Grants by counties or municipalities.
- 1309. Limitation on decisions, findings and regulations of

- department.
- 1310. Distribution of funding.
 - 1311. Use of funds distributed.
 - 1312. Community transportation programs.
 - 1313. Additional programs.
 - 1314. Public Transportation Assistance Fund.

§ 1301. Definitions.

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

"Asset maintenance costs." All vehicle maintenance expenses, nonvehicle maintenance expenses and materials and supplies used in the operation of local transportation organizations and transportation companies.

"Average fare." Total passenger revenue divided by the total number of fare-paying passengers. With regard to the calculation of average fare or base fare for the reimbursement of losses resulting from free service to senior citizens authorized by this part, the Department of Transportation shall not differentiate between bus services provided within an operating unit or division of any transit agency for any reason. Services funded under either the State urban or rural operating assistance programs will be considered separate operating units.

"Bus." A motor vehicle designed for carrying 15 or more passengers, exclusive of the driver, and used for the transportation of persons, and a motor vehicle, other than a taxicab, designed and used for the transportation of persons for compensation.

"Capital project." Any system of public passenger or public passenger and rail transportation, including, but not limited to, any railway, street railway, subway, elevated and monorail passenger or passenger and rail rolling stock, including self-propelled and gallery cars, locomotives, passenger buses and wires, poles and equipment for the electrification of any of the foregoing, rails, tracks, roadbeds, guideways, elevated structures, buildings, stations, terminals, docks, shelters, airports and parking areas for use in connection with public passenger or public passenger and rail transportation systems, interconnecting lines and tunnels to provide passenger or passenger and rail service connections between transportation systems, transportation routes, corridors, and rights-of-way for any thereof (but not for public highways), signal and communication systems necessary or desirable for the construction, operation or improvement of the public passenger or passenger and rail transportation system involved, or any improvement of or overhaul of any vehicle, equipment or furnishings for any of the foregoing or any part, or fractional and undivided co-ownership or leasehold interest in any one or combination of any of the foregoing, that may be designated as a capital project by the secretary.

"Class 1 transit entity." A local transportation organization or transportation company operating 1,000 or more transit vehicles in the peak period.

"Class 2 transit entity." A local transportation organization or transportation company operating more than 300 but less than 1,000 transit vehicles in the peak period.

"Class 3 transit entity." A local transportation organization or transportation company operating 300 or less fixed-route transit vehicles in the peak period serving an urbanized area.

"Class 4 transit entity." Any local transportation organization or transportation company which serves a nonurbanized area and, during the 1990-1991 fiscal year, received or was approved to receive funding under the act of February 11, 1976 (P.L.14, No.10), known as the Pennsylvania Rural and Intercity Common Carrier Surface Transportation Assistance Act.

"Class 4 transit entity adjusted base grant." The State subsidy for operating expenses a Class 4 transit entity received during the 1990-1991 fiscal year, including any funds appropriated under the act of February 11, 1976 (P.L.14, No.10), known as the Pennsylvania Rural and Intercity Common Carrier Surface Transportation Assistance Act; adjusted for factors which, in the judgment of the department, caused significant increases or decreases in the amount of State subsidy to a Class 4 transit entity during the 1990-1991 fiscal year; and further adjusted, with respect to any Class 4 transit entity which received a State subsidy for less than the entire 1990-1991 fiscal year, to reflect the annual subsidy that Class 4 transit entity would have received during that fiscal year if it had received a State subsidy for that entire fiscal year.

"Community transportation programs." Programs eligible to be funded pursuant to section 1312 (relating to community transportation programs).

"Construction." The term includes acquisition as well as construction.

"Counties." The term includes any county.

"County transportation system." Buses, vans or other transit vehicles purchased, maintained and operated by any county and used to provide free or reduced rate transportation within the county to persons 65 years of age or older.

"Department." The Department of Transportation of the Commonwealth.

"Equipment" and "furnishings." Any equipment and furnishings whatsoever as may be deemed desirable and required for a capital project and approved by the Department of Transportation for the use and occupancy of that capital project. The terms include the installation of such equipment and furnishings.

"Federal agency." The United States of America, the President of the United States of America and any department of, or corporation, agency or instrumentality heretofore or hereafter created, designated or established by, the United States of America.

"Fixed-route public transportation services." Regularly scheduled transportation that is available to the general public and is provided according to published schedules along designated published routes with specified stopping points for the taking on and discharging of passengers, including public bus and commuter rail systems. The term does not include exclusive ride taxi service, charter or sightseeing services, nonpublic transportation or school bus or limousine services.

"Fund." The Public Transportation Assistance Fund.

"Improvement." Any extension, enlargement, equipping, furnishing, as well as any improvement.

"Local transportation organization." Any political subdivision or any mass transportation, port, redevelopment or airport authority now or hereafter organized under the Laws of Pennsylvania or pursuant to an interstate compact or otherwise empowered to render, contract for the rendering or assist in the rendering of transportation service in a limited area in the Commonwealth of Pennsylvania, even though it may also render

or assist in rendering transportation service in adjacent states.

"Materials and supplies." Those categories of expenses contained in object class code 504 as specified in the National Urban Mass Transportation Statistics, 1989 Section 15 Annual Report, Report No. UMTA-IT-06-0352-90-1.

"Municipality." Includes any city, borough, incorporated town or township.

"Nonurbanized area." Any area in this Commonwealth which does not fall within an area classified as "urbanized" by the United States Bureau of the Census of the United States Department of Commerce in the 1990 Census of Population or any area in this Commonwealth not classified as "urbanized" in any future decennial census of the United States.

"Nonvehicle maintenance expenses." The categories of costs associated with the inspection, maintenance and repair of assets other than vehicles, as specified in the National Urban Mass Transportation Statistics, 1989 Section 15 Annual Report, Report No. UMTA-IT-06-0352-90-1.

"Pennsylvania Mass Transit Statistical Report." The summary of selected financial and operating data concerning local transportation organizations and transportation companies for services in urbanized areas published annually by the Department of Transportation since the 1973-1974 fiscal year. The department shall publish the Pennsylvania Mass Transit Statistical Report on an annual basis, which report shall contain statistics with respect to the prior fiscal year, including those statistics needed for the department to make the calculations required pursuant to sections 1303 (relating to annual appropriation and computation of subsidy) and 1310 (relating to distribution of funding), and such other material as the department shall determine.

"Pennsylvania Rural and Small Urban Public Transportation Program Statistical Report." The summary of selected financial and operating data concerning rural and small urban local transportation organizations and transportation companies for services in nonurbanized areas published by the Department of Transportation. The department shall publish the Pennsylvania Rural and Small Urban Public Transportation Program Statistical Report on an annual basis, which report shall contain statistics with respect to the prior fiscal year, including those statistics needed for the department to make the calculations required pursuant to sections 1303 (relating to annual appropriation and computation of subsidy) and 1310 (relating to distribution of funding), and such other material as the department shall determine.

"Person." The term includes natural persons, firms, associations, corporations, business trusts, partnerships and public bodies, including local transportation organizations.

"Planning, development, research, rural expansion and department-initiated programs." Any program eligible to be funded pursuant to section 1313 (relating to additional programs).

"Project grant." The Commonwealth's share of the cost of carrying out the particular project, which cost may include costs incurred prior to the effective date of this part and which cost shall include an appropriate allowance for the administrative expenses involved in carrying out the project.

"Property." All property, real, personal or mixed, tangible or intangible, or any interest therein, including fractional and undivided co-ownership interests.

"Public highway." Every way or place, of whatever nature, open to the use of the public as a matter of right for purposes of vehicular travel. Solely for the purpose of administering this part, the term shall not be deemed to include a bridge located wholly within this Commonwealth which is open to the use of the public for the purpose of vehicular traffic but which on March 15, 1964, was owned and maintained by a mass transportation or port authority and which comprises a part of the transportation system of the mass transportation or port authority.

"Revenue hours." The total amount of time, calculated in hours, during which vehicles of a Class 4 transit entity are in service and available for public use as reported with respect to the most recent fiscal year in the most recently issued Pennsylvania Rural and Small Urban Public Transportation Statistical Report.

"Revenue miles." The total number of in-service miles traveled by vehicles of a Class 4 transit entity as reported with respect to the most recent fiscal year in the most recently issued Pennsylvania Rural and Small Urban Public Transportation Statistical Report.

"Secretary." The Secretary of Transportation of the Commonwealth.

"Shared-ride public transportation services." Demand-responsive transportation that is available to the general public, operates on a nonfixed route basis and charges a fare to all riders. For transportation to be included in this definition the first fare-paying passengers to enter the public transportation vehicle must not refuse to share the vehicle with other passengers during a given trip. Services excluded under this definition are: exclusive ride taxi service; charter and sightseeing services; nonpublic transportation; school bus or limousine services.

"Transit vehicle." A self-propelled or electrically propelled vehicle designed for carrying 15 or more passengers, exclusive of the driver, other than a taxicab, designed and used for the transportation of persons for compensation, including, but not limited to, subway cars, trolleys, trackless trolleys and railroad passenger cars.

"Transportation company." Any person, firm or corporation rendering public passenger or public passenger and rail transportation service, with or without the rendering of other service, in this Commonwealth pursuant to common carrier authorization from the Pennsylvania Public Utility Commission or the Interstate Commerce Commission.

"Urban common carrier mass transportation." Transportation within an area that includes a municipality or other built-up place which is appropriate, in the judgment of the Department of Transportation, for a common carrier transportation system to serve commuters or others in the locality, taking into consideration the local patterns and trends of urban growth, by bus or rail or other conveyance, either publicly or privately owned, serving the general public. The term does not include school buses or charter or sightseeing service.

"Urban Mass Transportation Act of 1964." Public Law 88-365, 49 U.S.C. § 1601 et seq.

"Urbanized area." A portion of this Commonwealth classified as "urbanized" by the United States Bureau of the Census of the United States Department of Commerce in the 1990 Census of Population or any area in this Commonwealth classified as "urbanized" in any future decennial census of the United States.

"Vehicle hours." The total amount of time, calculated in hours, during which vehicles of a local transportation organization or transportation company are in service and available for public use, listed with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

"Vehicle maintenance expenses." The categories of costs associated with the inspection, maintenance and repair of vehicles as specified in the National Urban Mass Transportation Statistics, 1989 Section 15 Annual Report, Report No. UMTA-IT-06-0352-90-1.

"Vehicle miles." The total distance, calculated in miles, which is funded in whole or in part by this part, traveled by vehicles of a local transportation organization or transportation company listed with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

§ 1302. Program authorizations.

The department is hereby authorized, within the limitations hereinafter provided, and is required where the provisions of section 1303 (relating to annual appropriation and computation of subsidy) apply:

(1) To undertake and to provide financial support for research, by contract or otherwise, concerning urban common carrier mass transportation.

(2) To make grants to municipalities, counties, or their instrumentalities, and to agencies and instrumentalities of the Commonwealth to supplement Federal or local or Federal and local funds for use:

(i) For the purpose of studies, analysis, planning and development of programs for urban common carrier mass transportation service and facilities, and for the purpose of activities related to the planning, engineering and designing of specific projects which are a part of a comprehensive program, including, but not limited to, activities such as studies related to management, operations, capital requirements and economic feasibility, to the preparation of engineering and architectural surveys, plans and specifications and to other similar or related activities preliminary to and in preparation for the construction, acquisition or improved operation of urban common carrier mass transportation systems, facilities and equipment. State funding under this subparagraph shall not exceed five-sixths of the non-Federal share of the project costs.

(ii) To provide for research, development and demonstration projects in all phases of urban common carrier mass transportation, including the development, testing and demonstration of new facilities, equipment, techniques and methods, to assist in the solution of urban transportation problems, in the improvement of mass transportation service and the contribution of such service toward meeting total urban transportation needs at minimum cost. State funding under this subparagraph shall not exceed five-sixths of the non-Federal share of the project costs.

(iii) To assist in providing grants to continue necessary service to the public, to permit needed improvements in service which are not self-supporting, to permit service which may be socially desirable but economically unjustified, and otherwise for any purpose

in furtherance of urban common carrier mass transportation. The methodology for calculating the amount of the grant under this subparagraph shall be determined in accordance with section 1303. Each grant to a Class 1 transit entity, to a Class 2 transit entity or to a Class 3 transit entity made pursuant to this paragraph shall be matched by local or private funding in an amount not less than one-third of the total State grant made pursuant to section 1303(b). Any grants to Class 3 transit entities may, however, be matched by an amount not less than the amount of local or private funding which is specified in the State contract for the 1990-1991 fiscal year if the department shall have received a certification from such Class 3 transit entity that such lower level of local or private funding is adequate to prevent significant service reductions or passenger fare increases.

(3) To make grants to any transportation company or companies for use in providing necessary service to the public, to permit needed improvements in services which are not self-supporting, to permit services which may be socially desirable but economically unjustified, and otherwise for any purpose in furtherance of urban common carrier mass transportation. In view of the particular sensitivity of special instrumentalities and agencies of the Commonwealth created to serve or coordinate the local transportation needs of substantial metropolitan areas, no grant moneys may be used exclusively or principally in the local service area of any such agency or instrumentality in which a city or county of the first or second class has membership, except in accordance with a system of priorities agreed upon by the department and such agency or instrumentality. In the case of a grant where the moneys granted will be used for an activity to be conducted exclusively or principally within the local service areas of such agency or instrumentality, no grant moneys may be used except in accordance with agreements by the department and such agency or instrumentality with respect to such use. In the case of a grant not falling within the scope of the preceding sentence but where moneys granted will be used both within and without the local service area of such agency or instrumentality, the grant shall require that the routes, schedules and fares applicable only within such service areas shall be those mutually agreed upon by the department and such agency or instrumentality. No agreement referred to in this paragraph shall impair, suspend, reduce, enlarge or extend or affect in any manner the powers of the Pennsylvania Public Utility Commission or the Interstate Commerce Commission otherwise applicable by law. Each grant to a Class 1 transit entity, to a Class 2 transit entity or to a Class 3 transit entity made pursuant to this paragraph shall be matched by local or private funding in an amount not less than one-third of the total State grant made pursuant to section 1303(b). Any grants to Class 3 transit entities may, however, be matched by an amount not less than the amount of local or private funding which is specified in the State contract for the 1990-1991 fiscal year if the department shall have received a certification from such Class 3 transit entity that such lower level of local or private funding is adequate to prevent significant service reductions and/or passenger fare increases.

(4) In connection with privately or locally assisted capital projects or capital projects financed with private or local and Federal funds, to make grants for approved capital projects to a local transportation organization or a transportation company, including the acquisition, construction, reconstruction and improvement of facilities and equipment, buses and other rolling stock, and other real or personal property, including land (but not public highways), needed for an efficient and coordinated mass transportation system for use, by operation, lease or otherwise, in urban common carrier mass transportation service and in coordinating such service with highway and other transportation. No capital project grant shall be made for the purpose of financing, directly or indirectly, the acquisition of any interest in, or the purchase of any facilities or other property of, a private urban common carrier mass transportation company. Each capital project shall be based on a program or plan approved by the department. No capital project grant shall exceed five-sixths of the non-Federal share, subject, however, to the following specific exceptions:

(i) If two or more capital projects are combined for financing purposes, the amount of department funds used for any one of such projects may exceed five-sixths of the non-Federal share, provided that the total amount of department funds provided for all the projects so combined does not exceed five-sixths of the total non-Federal share of all of the projects so combined.

(ii) If a capital project is eligible to receive Federal financial assistance under the Urban Mass Transportation Act of 1964 and if the project application for such Federal financial assistance has been rejected or delayed because of a lack of Federal funds or if the normal amount of Federal grant cannot be provided because of a lack of Federal funds and if the department has determined that the capital project is essential and should proceed without delay, department funds for such capital project may be increased temporarily to finance the entire net project cost, with the requirement that, upon the availability of additional Federal funds and the making to the capital project of a new or an additional Federal grant, the amount of department funds in excess of five-sixths of the non-Federal share be refunded to the department or be applied as the department may direct to help meet the department's share of the cost of another project in which the department is a participant.

(iii) If a project is ineligible to receive Federal financial assistance under the Urban Mass Transportation Act of 1964 and if the department has determined that the project is essential and should proceed without delay, the amount of department funds for such project shall be limited to an amount not to exceed one-half of the net project cost.

(5) To make grants from the State Lottery Fund in accordance with Chapter 7 of the act of August 14, 1991 (P.L.342, No.36), known as the Lottery Fund Preservation Act.

(6) To participate in a pooled bus acquisition program with transportation companies or local transportation organizations and the Federal Government for the purpose of making buses available to transportation companies or local

transportation organizations for use in urban common carrier mass transportation service, in accordance with the following procedures:

(i) The department may apply to the Urban Mass Transportation Administration of the United States Department of Transportation for the Federal share of any pooled-bus acquisition project.

(ii) The department may, with the assistance of the Department of General Services or a special group comprised of representatives of the transportation companies or local transportation organizations within the Commonwealth, write specifications for and order buses on behalf of any number of transportation companies or local transportation organizations desiring bus acquisition under this program.

(iii) Before any order for buses is placed by the department with a manufacturer, the department shall secure written assurance from the Federal Government of the availability of Federal financial assistance for such bus acquisitions. The department shall also secure written obligations by the transportation companies or local transportation organizations participating in such bus acquisitions that they will accept delivery of such buses at the appropriate time and will supply local funding in accordance with subparagraph (iv).

(iv) Funding for this program shall be: four-fifths Federal, one-sixth State and one-thirtieth from local sources; however, the local share of program costs may be advanced to the manufacturer by the Commonwealth at the time of purchase. Repayments to the Commonwealth of such advancements shall be considered as augmentations to the fund from which the funds were advanced. No part of the Federal share shall be advanced by the Commonwealth in anticipation of reimbursement.

(v) The Commonwealth may take title to and delivery of vehicles acquired pursuant to this program for eventual transfer to transportation companies or local transportation organizations.

(vi) All bus acquisitions under this program shall be made in accordance with a system of competitive bidding.

(vii) At its discretion, the department may organize and fund, with Commonwealth funds, postacquisition studies reasonably related to any pooled-bus acquisition made pursuant to this section, including, but not limited to, a vehicle inspection study at an appropriate interval or intervals following acquisition in order to monitor the condition of any vehicle purchased pursuant to this section.

§ 1303. Annual appropriation and computation of subsidy.

(a) General rule.--Beginning with the 1991-1992 fiscal year, the Commonwealth shall annually determine the level of appropriation for public transportation assistance, using the standards contained in this section, to sufficiently fund and to make fully operative section 1302(2)(iii) and (3) (relating to program authorizations).

(b) Distribution as grants.--The General Assembly shall annually make an appropriation to the department for distribution as grants to local transportation organizations and transportation companies. The total amount of moneys appropriated shall be distributed by the department as grants

to local transportation organizations and transportation companies in accordance with the provisions of this section.

(c) Distribution formula.--The department shall distribute the total amount appropriated under subsection (b) in the following manner:

(1) The department shall calculate the Class 4 transit entity share for the fiscal year.

(2) The department shall then calculate the amount of grant due to each Class 4 transit entity as follows:

(i) From the Class 4 transit entity share, each Class 4 transit entity shall first receive an amount equal to 100% of its Class 4 transit entity adjusted base grant.

(ii) With respect to any portion of the Class 4 transit entity share remaining after each Class 4 transit entity receives an amount equal to 100% of its Class 4 transit entity adjusted base grant:

(A) Fifty percent of such excess shall be distributed to Class 4 transit entities based upon the percentage of the total amount of all Class 4 transit entity adjusted base grants given to Class 4 transit entities which a particular Class 4 transit entity received.

(B) Twenty-five percent of such excess shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 revenue mile percentage. The actual amount received by each Class 4 transit entity under this clause shall be determined by multiplying a particular Class 4 transit entity's Class 4 revenue mile percentage times 25% of such excess of the Class 4 transit entity share.

(C) Twenty-five percent of such excess shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 revenue hour percentage. The actual amount received by each Class 4 transit entity under this clause shall be determined by multiplying a particular Class 4 transit entity's Class 4 revenue hour percentage times 25% of such excess of the Class 4 transit entity share.

(3) All Class 4 transit entities may utilize all of the funds received pursuant to this section for any purpose in furtherance of public transportation. Each grant made to a Class 4 transit entity pursuant to this section shall, however, be matched by local or private funding in an amount not less than one-third of the total State grant made pursuant to subsection (c). Additionally, any grants to Class 4 transit entities may be matched by an amount not less than the amount of local or private funding which is specified in the State contract for the 1990-1991 fiscal year if the department shall have received a certification from such Class 4 transit entity that such lower level of local or private funding is adequate to prevent significant service reductions or passenger fare increases.

(4) The department shall calculate the Class 1 transit entity share, the Class 2 transit entity share and the Class 3 transit entity share for the fiscal year.

(5) The department shall then calculate the amount of grant due to each local transportation organization and transportation company as follows:

(i) Each Class 1 transit entity shall receive a prorata share of the Class 1 transit entity share. If there is only one Class 1 transit entity, it shall receive the entire Class 1 transit entity share.

(ii) Each Class 2 transit entity shall receive a prorata share of the Class 2 transit entity share. If there is only one Class 2 transit entity, it shall receive the entire Class 2 transit entity share.

(iii) Each Class 3 transit entity shall receive a portion of the Class 3 transit entity share calculated as follows:

(A) From the Class 3 transit entity share, each Class 3 transit entity shall first receive an amount equal to 100% of its Class 3 transit entity adjusted base grant.

(B) With respect to any portion of the Class 3 transit entity share remaining after each Class 3 transit entity receives an amount equal to 100% of its Class 3 transit entity adjusted base grant:

(I) Fifty percent of such excess shall be distributed to Class 3 transit entities based upon the percentage of all Class 3 transit entity adjusted base grants given to Class 3 transit entities which a particular Class 3 transit entity received.

(II) Twenty-five percent of such excess shall be distributed to Class 3 transit entities based upon each transit entity's Class 3 vehicle mile percentage. The actual amount received by each Class 3 transit entity under this subclause shall be determined by multiplying a particular Class 3 transit entity's Class 3 vehicle mile percentage times 25% of such excess of the Class 3 transit entity share.

(III) Twenty-five percent of such excess shall be distributed to Class 3 transit entities based upon each Class 3 transit entity's Class 3 operating revenue percentage. The actual amount received by each Class 3 transit entity under this subclause shall be determined by multiplying a particular Class 3 transit entity's Class 3 operating revenue percentage times 25% of such excess of the Class 3 transit entity share.

(6) On or about each July 1, October 1, January 1 and April 1 of each year commencing July 1, 1987, the department shall disburse 25% of the total annual amount due to each local transportation organization or transportation company calculated in accordance with this section.

(d) New organizations.--Should a new local transportation organization or transportation company be established and meet the criteria of a Class 1 transit entity, Class 2 transit entity, Class 3 transit entity or Class 4 transit entity as such criteria are set forth in section 1301 (relating to definitions), the department shall make an appropriate determination as to the level of grant to which such local transportation organization or transportation company shall be entitled. This determination shall include, but shall not be limited to, a determination as to an appropriate adjusted base grant for that local transportation organization or transportation company and a determination of appropriate adjustments to class percentages or transit entity shares.

(e) Change to different entity class.--If, during any fiscal year, either the number of vehicles operated by a local transportation organization or transportation company or the area served by such a local transportation organization or transportation company changes so that the local transportation organization or transportation company meets the criteria for a different transit entity class, as such criteria are set forth in section 1301, on or before July 15 of the fiscal year which follows such a change and in each fiscal year thereafter, the department shall reflect any change in the transit entity class of such a local transportation organization or transportation company in its calculation of the transit entity shares for each transit entity class for that and subsequent fiscal years. In its calculation of the transit entity shares for each transit entity class required by this section, for the fiscal year following the change in a local transportation organization or transportation company's transit entity class and thereafter, the department shall include the amount of the transit entity share allocated to such a local transportation organization or transportation company for the fiscal year prior to the change in the transit entity class, in the transit entity share for the new transit entity class of such a local transportation organization or transportation company, and shall delete an equal amount from the transit entity share for the transit entity class for which such a local transportation organization or transportation company no longer meets the criteria in the new fiscal year or thereafter.

(f) Rates, fares and charges.--

(1) Each local transportation organization or transportation company receiving moneys pursuant to this section shall annually fix such rates, fares and charges in such manner that they shall be at all times sufficient in the aggregate, and in conjunction with any moneys received from Federal or other sources, and any other income available to such organization or company, to provide funds for the payment of all operating costs and expenses which shall be incurred by such organization or company.

(2) In order to be eligible for the moneys described in paragraph (1), each local transportation organization or transportation company shall adopt an annual operating budget for each fiscal year no later than the last day of the preceding fiscal year. A copy of this operating budget shall be submitted to the department within ten days after its approval, along with a certification by the local transportation organization or transportation company that adequate revenues (including subsidies) are provided to support operating costs and expenses.

(g) Standards and measures.--

(1) Within one year after the effective date of this part and every year thereafter, each local transportation organization or transportation company receiving moneys pursuant to this section shall adopt a series of service standards and performance evaluation measures. Such standards and measures shall consist of objectives and specific numeric performance levels to be achieved in meeting these standards and objectives. Those standards and measures adopted shall include the following, in addition to others deemed appropriate by the local transportation organization or transportation company:

(i) An automatic mechanism to review the utilization of routes.

(ii) Staffing ratios (ratio of administrative employees to operating employees; number of vehicles per mechanic).

(iii) Productivity measures (vehicle miles per employee; passenger and employee accidents per 100,000 vehicle miles; on-time performance; miles between road calls).

(iv) Fiscal indicators (operating cost per passenger; subsidy per passenger and operating ratio).

(v) Any other matter desired by the governing body of such local transportation organization or transportation company.

(2) The service standards and performance evaluation measures shall be established by formal action of the governing body of such local transportation organization or transportation company following an opportunity for comment by the public and the department. Upon submission, the department will review and may make recommendations to the local transportation organization or transportation company concerning the service standards and performance evaluation measures.

(3) In the discretion of such governing body, the service standards and performance evaluation measures may be systemwide or based on a sampling.

(4) The service standards and performance evaluation measures shall only constitute goals for such local transportation organization or transportation company in providing service in the year following their adoption. At the end of such year, fiscal or calendar, as the case may be, a report shall be transmitted to the department for its consideration indicating the projected performance levels and the performance levels actually achieved. Upon submission, the department will review the report and may make recommendations to such local transportation organization or transportation company concerning the performance levels actually achieved. Such report shall be released to the public at the time of issuance.

(h) Reduction of certain grants.--With respect to grants to Class 1 transit entities and Class 2 transit entities in any fiscal year, the department shall reduce the grant amount due to such local transportation organization or transportation company by an amount equal to 1% of such grant moneys otherwise due to such local transportation organization or transportation company for each percentage point such local transportation organization's or transportation company's operating ratio is less than 50% in the case of a Class 1 transit entity or less than 46% in the case of a Class 2 transit entity.

(i) Audits.--The department is authorized to perform independent financial audits of the financial statements of each local transportation organization or transportation company receiving moneys pursuant to this section. Such audits shall be conducted in accordance with generally accepted auditing standards. Any financial statements subject to such audit or reports resulting from such audit shall be prepared and presented in accordance with generally accepted accounting principles, consistently applied with previous statements rendered for or on behalf of such organization or company. The department may coordinate such audits in conjunction with audits undertaken by the Auditor General.

(j) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Class 1 percentage." Seventy percent.

"Class 2 percentage." Twenty-five and three-tenths percent.

"Class 3 percentage." Four and seven-tenths percent.

"Class 1 to 3 allocation." The total amount appropriated under subsection (b) less the Class 4 transit entity share.

"Class 1 transit entity share." The product of the Class 1 percentage times the Class 1 to 3 allocation in a particular fiscal year.

"Class 2 transit entity share." The product of the Class 2 percentage times the Class 1 to 3 allocation in a particular fiscal year.

"Class 3 transit entity adjusted base grant." The State subsidy which a Class 3 transit entity received during the 1990-1991 fiscal year, including Federal funds transferred from other local transportation organizations and transportation companies from the Federal fiscal year 1989-1990 pursuant to the Governor's apportionment allocation contained in the Urban Mass Transportation Act of 1964.

"Class 3 transit entity share." The product of the Class 3 percentage times the Class 1 to 3 allocation in a particular fiscal year.

"Class 3 vehicle mile percentage." The percentage determined by dividing the vehicle miles of a Class 3 transit entity with respect to the most recent fiscal year as reported in the most recently issued Pennsylvania Mass Transit Statistical Report by the total number of vehicle miles of all Class 3 transit entities with respect to the most recent fiscal year as reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

"Class 4 revenue hour percentage." The percentage determined by dividing the revenue hours of a Class 4 transit entity as reported with respect to the most recent fiscal year in the most recently issued Pennsylvania Rural and Small Urban Public Transportation Statistical Report by the total number of revenue hours of all Class 4 transit entities as reported with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Rural and Small Urban Public Transportation Statistical Report.

"Class 4 revenue mile percentage." The percentage determined by dividing the revenue miles of a Class 4 transit entity as reported with respect to the most recent fiscal year in the most recently issued Pennsylvania Rural and Small Urban Public Transportation Statistical Report by the total revenue miles of all Class 4 transit entities as reported with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Rural and Small Urban Public Transportation Statistical Report.

"Class 4 transit entity share." Two million three hundred thirty-five thousand dollars for the 1991-1992 fiscal year and, during the 1992-1993 fiscal year and each fiscal year thereafter, shall mean the Class 4 transit entity share for the prior fiscal year plus (or minus) the product of the Class 4 transit entity share for the prior fiscal year times the percentage increase or decrease in the total operating assistance made available to local transportation organizations and transportation companies for that fiscal year as compared with the most recently completed fiscal year.

"Operating ratio." The proportion of total operating revenue (which shall include all passenger, charter and advertising revenue, fare reimbursement received from the State Lottery Fund and all other receipts associated with the delivery of transit services, but shall exclude Federal grants provided to

cover operating losses and State grants made pursuant to subsection (b)) divided by total operating expenses associated with day-to-day operation of the system (but excluding depreciation of capital assets).

"Operating revenue." The total revenue earned by a local transportation organization or transportation company through its transit operations, including, but not limited to, passenger revenue, senior citizen grant, charter revenue, school contract revenue, advertising and other revenue listed with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

"Operating revenue percentage." The percentage determined by dividing the operating revenues of a local transportation organization or transportation company as reported in the most recently issued Pennsylvania Mass Transit Statistical Report by the total operating revenue of all local transportation organizations or transportation companies as reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

§ 1304. Grant proposals.

(a) General rule.--Grants may be made hereunder with reference to any appropriate project irrespective of when it was first commenced or considered and regardless of whether costs with respect thereto shall have been incurred prior to the time the grant is applied for or made.

(b) Applications.--The governing bodies of municipalities, counties or their instrumentalities, and agencies and instrumentalities of the Commonwealth may, by formal resolution, apply and transportation companies by application may apply to the department for State grant funds provided by this chapter. If the action is taken by a governing body, a certified copy of the resolution and, in the case of transportation companies, an application shall be forwarded to the department with a proposal of the governing body or company, which shall set forth the use to be made of State grant funds and the amount of funds required or, in the case of grants under section 1303 (relating to annual appropriation and computation of subsidy), which shall set forth a request that the grant provided for under section 1303 be made.

(c) Preference for coordinated systems.--The department shall give preference to any proposal which will assist in carrying out a plan, meeting criteria established by the department, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, which is necessary for the sound, economic and desirable development of such area and which shall encourage to the maximum extent feasible the participation of private enterprise. This subsection shall not apply to grants made pursuant to section 1303.

(d) Use of grants.--The use of the State grant funds shall be for the purposes set forth in section 1302 (relating to program authorizations) and, without limiting the generality of the foregoing, may be used for local contributions required by the Urban Mass Transportation Act of 1964 or other Federal law concerning common carrier mass transportation.

(e) Grant agreement.--

(1) The department shall review the proposal and, if satisfied that the proposal is in accordance with the purposes of this chapter, shall enter into a grant agreement subject to the condition that the grant be used in accordance with the terms of the proposal. With respect to grants made pursuant to section 1303, the department shall make such

grants subject to the condition that the grants be used for the purposes set forth in section 1302 and, where applicable, only after the certification required in section 1302(2)(iii) and (3) shall have been made.

(2) The time of payment of the grant and any conditions concerning such payment shall be set forth in the grant agreement.

§ 1305. Rules and regulations.

In order to effectuate and enforce the provisions of this chapter, the department is authorized to promulgate necessary rules and regulations and prescribe conditions and procedures in order to assure compliance in carrying out the purposes for which grants may be made hereunder.

§ 1306. Cooperation with other governments and private interests.

(a) General rule.--The department is directed to administer this program with such flexibility as to permit full cooperation between Federal, State and local governments, agencies and instrumentalities, as well as private interests, so as to result in as effective and economical a program as possible.

(b) Agreements.--The department is hereby authorized to enter into agreements providing for mutual cooperation between or among it and any Federal agency, local transportation organization or transportation company concerning any or all projects, including joint applications for Federal grants.

§ 1307. General authority of department.

It is the purpose and intent of this chapter to authorize the department to do any and all other things necessary or desirable to secure the financial aid or cooperation of any Federal agency in any of the department's projects and to do and perform all things which may be required by any statute of the United States of America or by the lawful requirements of any Federal agency authorized to administer any program of Federal aid to transportation.

§ 1308. Grants by counties or municipalities.

Any county or municipality in any metropolitan area which is a member of a local transportation organization is authorized to make annual grants from current revenues to local transportation organizations to assist in defraying the costs of operations, maintenance and debt service of local transportation organization or of a particular mass transportation project of a local transportation organization and to enter into long-term agreements providing for the payment of the same. The obligation of a municipality or county under any such agreement shall not be considered to be a part of its indebtedness, nor shall such obligation be deemed to impair the status of any indebtedness of such municipality or county which would otherwise be considered as self-sustaining.

§ 1309. Limitation on decisions, findings and regulations of department.

All decisions, findings and regulations made by the department pursuant to this chapter shall be for the purposes of this chapter only and shall not constitute evidence before any regulatory body of this Commonwealth or any other jurisdiction.

§ 1310. Distribution of funding.

(a) General rule.--All moneys made available and required to be used for capital projects, asset maintenance and other programs specified in this section shall be distributed in accordance with the formula specified in this section and used strictly in accordance with section 1311 (relating to use of funds distributed).

(b) Distribution procedure.--During each fiscal year, capital project, asset maintenance and other program funds shall be distributed as follows:

(1) On or before the 15th day of each month, the Treasury Department shall determine the total amount of moneys then available for distribution and shall disburse such funds on or before the 20th day of each month in the manner provided in this subsection.

(2) Beginning in the 1991-1992 fiscal year, each month, the Treasury Department shall pay one-twelfth of the Department of Transportation project management oversight share for that fiscal year into the General Fund. The moneys so transferred are hereby appropriated to the Department of Transportation for use by that department for expenses related to project management and oversight of capital and asset maintenance projects funded pursuant to this section.

(3) Each month, the Treasury Department shall pay one-twelfth of the community transportation program section 1310 share for that fiscal year into the General Fund. The funds so transferred are hereby appropriated to the Department of Transportation to make grants to counties, pursuant to section 1312 (relating to community transportation programs), for the purpose of funding capital projects of community transportation programs.

(4) Each month, the Treasury Department shall pay the planning, development, research, rural expansion and department-initiated programs section 1310 share for that month into the General Fund. The funds so transferred are hereby appropriated to the Department of Transportation to incur costs directly or to make grants to local transportation organizations or transportation companies, or entities which seek to become local transportation organizations or transportation companies, pursuant to section 1312, for the purpose of funding planning, development, research, rural expansion and department-initiated programs.

(5) Each month, the Treasury Department shall pay one-twelfth of the Class 4 transit entity section 1310 share to Class 4 transit entities in the manner provided in this paragraph. Each Class 4 transit entity shall receive a portion of each monthly distribution of the Class 4 transit entity section 1310 share as follows:

(i) Fifty percent of the monthly distribution of the Class 4 transit entity section 1310 share shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 operating assistance grant section 1310 percentage. The actual amount received by each Class 4 transit entity under this subparagraph shall be determined by multiplying a particular Class 4 transit entity's Class 4 operating assistance grant section 1310 percentage times the total amount available for distribution under this subparagraph.

(ii) Twenty-five percent of the monthly distribution of the Class 4 transit entity section 1310 share shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 revenue mile section 1310 percentage. The actual amount received by each Class 4 transit entity under this subparagraph shall be determined by multiplying a particular Class 4 transit entity's Class 4 revenue mile section 1310 percentage times the total amount available for distribution under this subparagraph.

(iii) Twenty-five percent of the monthly distribution of the Class 4 transit entity section 1310 share shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 revenue hour section 1310 percentage. The actual amount received by each Class 4 transit entity under this subparagraph shall be determined by multiplying a particular Class 4 transit entity's Class 4 transit entity revenue hour section 1310 percentage times the total amount available for distribution under this subparagraph.

(6) Each month, after providing for payment of the portion of the Department of Transportation project management oversight share, the community transportation program section 1310 share, the planning, development, research, rural expansion and department-initiated programs section 1310 share and the Class 4 transit entity section 1310 share to be distributed that month, the Treasury Department shall distribute all remaining capital project, asset maintenance and other program funds as follows:

(i) Each Class 1 transit entity shall receive a prorata share of the Class 1 transit entity section 1310 share. If there is only one Class 1 transit entity, it shall receive the entire Class 1 transit entity section 1310 share.

(ii) Each Class 2 transit entity shall receive a prorata share of the Class 2 transit entity section 1310 share. If there is only one Class 2 transit entity, it shall receive the entire Class 2 transit entity section 1310 share.

(iii) Each Class 3 transit entity shall receive a portion of the Class 3 transit entity section 1310 share as follows:

(A) Sixteen and sixty-seven hundredths percent of the Class 3 transit entity section 1310 share shall be distributed to Class 3 transit entities based upon each transit entity's Class 3 vehicle mile section 1310 percentage. The actual amount received by each Class 3 transit entity under this clause shall be determined by multiplying a particular Class 3 transit entity's Class 3 vehicle mile section 1310 percentage times the total amount available for distribution under this clause.

(B) Sixteen and sixty-seven hundredths percent of the Class 3 transit entity section 1310 share shall be distributed to Class 3 transit entities based upon each transit entity's Class 3 vehicle hour section 1310 percentage. The actual amount received by each Class 3 transit entity under this clause shall be determined by multiplying a particular Class 3 transit entity's Class 3 vehicle hour section 1310 percentage times the total amount available for distribution under this clause.

(C) Sixteen and sixty-six hundredths percent of the Class 3 transit entity section 1310 share shall be distributed to Class 3 transit entities based upon each transit entity's Class 3 total passenger section 1310 percentage. The actual amount received by each Class 3 transit entity under this clause shall be determined by multiplying a particular Class 3 transit entity's Class 3 total passenger section 1310 percentage times the total amount available for distribution under this clause.

(D) Twenty-five percent of the Class 3 transit entity section 1310 share shall be distributed to Class 3 transit entities based upon each transit entity's Class 3 Federal operating cap percentage. The actual amount received by each Class 3 transit entity under this clause shall be determined by multiplying a particular Class 3 transit entity's Class 3 Federal operating cap percentage times the total amount available for distribution under this clause.

(E) Twenty-five percent of the Class 3 transit entity section 1310 share shall be distributed to Class 3 transit entities based upon each transit entity's Class 3 State operating grant percentage. The actual amount received by each Class 3 transit entity under this clause shall be determined by multiplying a particular Class 3 transit entity's Class 3 State operating grant percentage times the total amount available for distribution under this clause.

(c) Change of classification.--If, during any fiscal year, either the number of vehicles operated by a local transportation organization or transportation company or the area served by such a local transportation organization or transportation company changes so that the local transportation organization or transportation company meets the criteria for a different transit entity class, as such criteria are set forth in section 1301 (relating to definitions), on or before July 15 of the fiscal year which follows such a change and in each fiscal year thereafter, the department shall reflect any change in the transit entity class of such a local transportation organization or transportation company in the Department of Transportation certification for that and subsequent fiscal years. In its calculation of the transit entity section 1310 shares for each transit entity class required by subsection (g)(1) for the fiscal year following the change in a local transportation organization or transportation company's transit entity class and thereafter, the department shall include the amount of the transit entity section 1310 share allocated to such a local transportation organization or transportation company for the fiscal year prior to the change in the transit entity class, in the transit entity section 1310 share for the new transit entity class of such a local transportation organization or transportation company, and shall delete an equal amount from the transit entity section 1310 share for the transit entity class for which such a local transportation organization or transportation company no longer meets the criteria in the new fiscal year.

(d) Oversight.--The department shall initiate and maintain a program of review and oversight for any projects receiving funds distributed pursuant to this section. The department is authorized to perform independent financial audits of the financial statements of each local transportation organization, transportation company or community transportation program receiving moneys pursuant to this section. These audits shall be conducted in accordance with generally accepted auditing standards. Any financial statements subject to the audit or reports resulting from the audit shall be prepared and presented in accordance with generally accepted accounting principles, consistently applied with previous statements rendered for or on behalf of such organization or company. The department may

coordinate such audits in conjunction with audits undertaken by the Auditor General.

(e) Fiscal year and capital budget.--

(1) The governing body of each local transportation organization or transportation company shall establish a fiscal year for capital programs. No later than the last day of each fiscal year for capital programs, each local transportation organization or transportation company receiving moneys pursuant to this section shall adopt a capital budget and an asset maintenance spending plan for submission to the department.

(2) The capital budget shall include the following:

(i) A description of any such project.

(ii) The projected cost of any project to be undertaken, including supporting cash flow.

(iii) The duration of any such project, including the projected starting date, completion date and projected useful life of the project.

(iv) The proposed funding sources for any project.

(v) A description of projects completed in the prior fiscal year and their impact on operations.

(vi) A description of progress to date on projects initiated in the prior fiscal year but not yet completed.

(vii) An explanation of any significant project delays.

(viii) The use of funds under this section in the prior fiscal year, including projects for which they were used.

(ix) A multiyear plan for future use of funds received under this section for a period of not less than five years.

(x) Any other matter desired by the governing body of such local transportation organization or transportation company.

(3) The asset maintenance spending plan shall include:

(i) The amount of moneys expended for asset maintenance costs.

(ii) The purposes for which such funds were expended.

(iii) Those asset maintenance costs which are projected to be funded during the subsequent twelve months by the local transportation organization or transportation company.

(iv) A multiyear plan for future use of funds received under this section for a period of not less than five years.

(4) The capital budget and the asset maintenance spending plan shall be established by formal action of the governing body of such local transportation organization or transportation company following an opportunity for comment by the public and the department. Upon submission, the department will review and may make recommendations to the local transportation organization or transportation company concerning the capital budget and asset maintenance spending plan.

(5) The capital budget and the asset maintenance spending plan may be amended by formal action of the governing body of such local transportation organization or transportation company from time to time. Any amendments to the capital budget and the asset maintenance spending plan shall be transmitted to the department for its review, and the department may make recommendations to the local

transportation organization or transportation company concerning any amendments to the capital budget and the asset maintenance spending plan.

(f) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Capital project, asset maintenance and other program funds." Moneys made available to finance capital projects and asset maintenance costs of local transportation organizations, transportation companies or community transportation programs or to fund other programs specified in this section from:

(1) any fund of the Commonwealth where the legislation creating such fund references this part and states that some or all of the moneys in such fund are to be used to finance capital projects and asset maintenance costs of local transportation organizations, transportation companies or community transportation programs and to fund certain other programs; or

(2) any other source, where such moneys are made available specifically to finance capital projects and asset maintenance costs of local transportation organizations, transportation companies or community transportation programs in accordance with this section.

"Class 1 section 1310 percentage." Seventy and three-tenths percent.

"Class 2 section 1310 percentage." Twenty-five and four-tenths percent.

"Class 3 section 1310 percentage." Four and three-tenths percent.

"Class 1 to 3 section 1310 allocation." The total amount of capital project, asset maintenance and other program funds available for distribution by the Treasury Department during a particular month, less:

(1) the amount of the Department of Transportation project management oversight share to be paid each month under subsection (b) (2);

(2) the amount of the community transportation program section 1310 share to be paid each month under subsection (b) (3);

(3) the amount of the planning, development, research, rural expansion and department-initiated programs section 1310 share; and

(4) the amount of the Class 4 transit entity section 1310 share to be paid each month under subsection (b) (5).

"Class 1 transit entity section 1310 share." The product of the Class 1 section 1310 percentage times the Class 1 to 3 section 1310 allocation.

"Class 2 transit entity section 1310 share." The product of the Class 2 section 1310 percentage times the monthly Class 1 to 3 allocation.

"Class 3 transit entity section 1310 share." The product of the Class 3 section 1310 percentage times the monthly Class 1 to 3 allocation.

"Class 4 transit entity section 1310 share." Four million dollars during the 1991-1992 fiscal year and \$4,160,000 during the 1992-1993 fiscal year. During the 1993-1994 fiscal year and each fiscal year thereafter, the term shall mean the Class 4 transit entity section 1310 share for the prior fiscal year plus (or minus) the product of the Class 4 transit entity section 1310 share for the prior fiscal year times the percentage increase or decrease in the total funds available for distribution pursuant to this

section received by the Treasury Department in the most recently completed fiscal year as compared with the prior fiscal year.

"Class 3 Federal operating cap percentage." The percentage determined by dividing the Federal operating ceiling for a Class 3 transit entity by the total Federal operating ceilings for all Class 3 transit entities.

"Class 3 State operating grant percentage." The percentage determined by dividing the State subsidy received pursuant to section 1303 (relating to annual appropriation and computation of subsidy) during fiscal year 1990-1991 by a Class 3 transit entity as stated in the latest Department of Transportation certification by the total State subsidies received pursuant to section 1303 during fiscal year 1990-1991 by all Class 3 transit entities as stated in the latest Department of Transportation certification. For purposes of calculating the amount received by a Class 3 transit entity pursuant to section 1303, any Federal funds transferred from other local transportation organizations and transportation companies from the Federal fiscal year 1990-1991 Governor's apportionment allocation, contained in the Urban Mass Transportation Act of 1964, shall be considered to be amounts received pursuant to section 1303.

"Class 3 total passenger section 1310 percentage." The percentage determined by dividing the total passengers transported by a Class 3 transit entity as stated in the latest Department of Transportation certification by the total number of passengers transported by all Class 3 transit entities as stated in the latest Department of Transportation certification.

"Class 3 vehicle hour section 1310 percentage." The percentage determined by dividing the vehicle hours of a Class 3 transit entity as stated in the latest Department of Transportation certification by the total number of vehicle hours of all Class 3 transit entities as stated in the latest Department of Transportation certification.

"Class 3 vehicle mile section 1310 percentage." The percentage determined by dividing the vehicle miles of a Class 3 transit entity as stated in the latest Department of Transportation certification by the total number of vehicle miles of all Class 3 transit entities as stated in the latest Department of Transportation certification.

"Class 4 operating assistance grant section 1310 percentage." The percentage determined by dividing the Class 4 transit entity adjusted base grant received by a Class 4 transit entity by the total Class 4 transit entity adjusted base grants received pursuant to such act by all Class 4 transit entities during fiscal year 1990-1991 as stated in the Department of Transportation certification.

"Class 4 revenue hour section 1310 percentage." The percentage determined by dividing the revenue hours of a Class 4 transit entity as stated in the latest Department of Transportation certification by the total number of revenue hours of all Class 4 transit entities as stated in the latest Department of Transportation certification.

"Class 4 revenue mile section 1310 percentage." The percentage determined by dividing the revenue miles of a Class 4 transit entity as stated in the latest Department of Transportation certification by the total number of revenue miles of all Class 4 transit entities as stated in the latest Department of Transportation certification.

"Community transportation program section 1310 share." One million seven hundred thousand dollars during the 1991-1992 fiscal year, \$1,768,000 during the 1992-1993 fiscal year and, during the 1993-1994 fiscal year and each fiscal year thereafter, shall mean the community transportation program section 1310 share for the prior fiscal year plus (or minus) the product of the community transportation program section 1310 share for the prior fiscal year times the percentage increase or decrease in the total funds available for distribution pursuant to this section received by the Treasury Department in the most recently completed fiscal year as compared with the prior fiscal year. However, in any fiscal year in which the total funds authorized to be expended from the State Lottery Fund for purposes enumerated in section 1312 (relating to community transportation programs) is less than \$600,000, the community transportation program section 1310 share shall be increased so that the sum of the community transportation program section 1310 share plus the total amount of such moneys paid from the State Lottery Fund for purposes enumerated in section 1312 shall equal \$2,300,000. The combined funding to any county for community transportation under sections 1310 and 1312 shall not exceed \$250,000 in any fiscal year.

"Department of Transportation project management oversight share." One million dollars during the 1991-1992 fiscal year and, during the 1992-1993 fiscal year and each fiscal year thereafter, shall mean \$1,000,000 or 0.25% of the total amount of capital project, asset maintenance and other program funds available for distribution pursuant to this section received by the Treasury Department during the prior fiscal year, whichever is greater.

"Department of Transportation certification." The certification by the Department of Transportation to the Treasury Department under subsection (g).

"Department-initiated programs." Mass transportation programs with a regional or Statewide application, including, without limitation, capital projects in support of intercity rail passenger service, capital projects in support of intercity bus service, transit safety initiatives, public-private transportation partnerships, ridersharing incentive programs, transportation management associations and other multimodal transportation management projects.

"Federal operating ceiling." The maximum amount of Federal funds permitted to be used by a Class 3 transit entity to subsidize transit operations, as published in the November 23, 1990, Federal Register (or, where there is more than one transit entity in a region, the maximum amount of Federal funds which such Class 3 transit entity could have utilized to subsidize transit operations pursuant to the subregional allocation as specified in the applicable transportation improvement program) for fiscal year 1990-1991.

"Planning, development, research, rural expansion and department-initiated programs section 1310 shares." The sum of \$83,333.33 plus 0.25% of the total capital project, asset maintenance and other program funds available for distribution by the Treasury Department during a particular month.

"Total passengers." The total of all revenue passengers plus transfer passengers on second and successive rides of a local transportation organization or transportation

company, which are funded in whole or in part by this part, with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

"Treasury Department." The State Treasurer and the Treasury Department of the Commonwealth.

(g) Certification to Treasury Department.--On or before July 15 of each fiscal year, the Department of Transportation shall calculate and certify to the Treasury Department the following:

(1) The Department of Transportation project management oversight share, the community transportation program section 1310 share, the Class 1 transit entity section 1310 share, the Class 2 transit entity section 1310 share, the Class 3 transit entity section 1310 share and the Class 4 transit entity section 1310 share and the planning, development, research, rural expansion and department-initiated programs section 1310 shares.

(2) The names and addresses of each Class 1 transit entity, Class 2 transit entity, Class 3 transit entity and Class 4 transit entity and whether such program or entity is a Class 1 transit entity, Class 2 transit entity, Class 3 transit entity or Class 4 transit entity.

(3) The vehicle miles of each Class 3 transit entity, the total vehicle miles of all Class 3 transit entities, the Class 3 vehicle mile section 1310 percentage for each Class 3 transit entity, the vehicle hours of each Class 3 transit entity, total vehicle hours of all Class 3 transit entities, the Class 3 vehicle hour section 1310 percentage for each Class 3 transit entity, total passengers for each Class 3 transit entity, the total passengers for all Class 3 transit entities, the Class 3 total passenger section 1310 percentage for each Class 3 transit entity, the Federal operating ceiling for each Class 3 transit entity, the Federal operating ceiling for all Class 3 transit entities, the Federal operating cap percentage for each Class 3 transit entity, the State subsidy received pursuant to section 1303 (relating to annual appropriation and computation of subsidy) as described in the definition of "Class 3 State operating grant percentage" for each Class 3 transit entity, the State subsidy received pursuant to section 1303 as described in the definition of "Class 3 State operating grant percentage" for all Class 3 transit entities, and the Class 3 State grant percentage for each Class 3 transit entity.

(4) The operating assistance grant received by each Class 4 transit entity during fiscal year 1990-1991 pursuant to the act of February 11, 1976 (P.L.14, No.10), known as the Pennsylvania Rural and Intercity Common Carrier Surface Transportation Assistance Act, the operating assistance grant received by all Class 4 transit entities during fiscal year 1990-1991 pursuant to that act, the Class 4 operating assistance grant section 1310 percentage for each Class 4 transit entity, the revenue miles of each Class 4 transit entity, the revenue miles of all Class 4 transit entities, the Class 4 revenue mile section 1310 percentage of each Class 4 transit entity, the revenue hours for each Class 4 transit entity, the revenue hours for all Class 4 transit entities and the Class 4 revenue hour section 1310 percentage for each Class 4 transit entity.

§ 1311. Use of funds distributed.

(a) Approval of department.--

(1) No money made available pursuant to section 1310 (relating to distribution of funding) shall be expended on any capital project by any local transportation organization or transportation company until after the local transportation organization or transportation company submits the project to the department for approval and the department approves the project. At the option of the local transportation organization or transportation company, capital projects may be submitted to the department on an annual basis at the time the local transportation organization or transportation company submits its capital budget to the department or at another time chosen by the local transportation organization or transportation company.

(2) The department shall establish criteria for approval of capital projects pursuant to this subsection, including, but not limited to, consideration of estimated useful life, demonstration of need and reasonableness of cost.

(3) Amendments to capital projects may be submitted at any time to the department for its review and approval in accordance with the procedures specified by the department.

(4) The department shall prescribe, under the authority of this chapter, reasonable procedures, including deadlines, for the department to review, comment and approve the capital project or projects submitted by a local transportation organization or transportation company.

(b) Funding purposes enumerated.--Moneys distributed pursuant to section 1310 shall be used by local transportation organizations and transportation companies for purposes of paying:

(1) all costs of capital projects, including, without limitation, the costs of acquisition, construction, installation, start-up costs of operations, improvement and all work and materials incident thereto, provided that funds expended for capital projects pursuant to section 1310 shall be matched by local or private funding in an amount equal to at least one-thirtieth of the project cost;

(2) debt service and the cost of issuance of bonds, notes and other evidences of indebtedness which a local transportation organization or transportation company is permitted to issue under any law of this Commonwealth; and

(3) to the extent permitted by this section, asset maintenance costs. Community transportation programs shall use moneys distributed pursuant to this section only for purposes enumerated in section 1312 (relating to community transportation programs).

(c) Certain capital projects.--Notwithstanding any other provision of law, each local transportation organization or transportation company receiving moneys pursuant to section 1310 may use such moneys, in the discretion of such local transportation organization or transportation company, to fund all or a portion of capital projects listed in the program prepared pursuant to section 2002(a)(13) of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

(d) Management of funds.--Each local transportation organization or transportation company receiving moneys pursuant to section 1310 shall hold such moneys in an account separate from other funds of the local transportation organization or transportation company and shall invest such moneys until such funds are used in accordance with this section, with such funds being invested in accordance with the limits on investment of the local transportation organization or transportation company.

Notwithstanding any other provisions of this chapter, any interest earned shall be used for capital projects and asset maintenance costs during any period as determined by the local transportation organization or transportation company.

(e) Asset maintenance.--

(1) Each local transportation organization or transportation company may expend moneys distributed pursuant to section 1310 to fund asset maintenance costs as provided in this subsection.

(2) Moneys distributed pursuant to section 1310 may only be used to fund asset maintenance costs incurred during the fiscal year in which such moneys are allocated. Thereafter, such funds may only be used to fund capital projects.

(3) On or before March 1 of each year, the department shall certify to each local transportation organization or transportation company the amount of capital project, asset maintenance and other program funds which the department estimates each local transportation organization or transportation company will be entitled to receive during the ensuing fiscal year. Each local transportation organization or transportation company may expend moneys distributed pursuant to section 1310 to fund asset maintenance costs up to the following maximum percentages of the estimate from the department, including accrued interest, the amount received during the prior fiscal year or the amount actually received in the current fiscal year, whichever is greater:

(i) Class 1 transit entities may utilize for asset maintenance costs up to a maximum of 30% of the funds received pursuant to section 1310. Moneys received by a Class 1 transit entity pursuant to section 1310 and utilized to fund asset maintenance costs pursuant to this subsection shall be matched by local or private funding in an amount equal to at least one-thirtieth of the amount expended for such purposes.

(ii) Class 2 transit entities may utilize for asset maintenance costs up to a maximum of 50% of the funds received pursuant to section 1310. Moneys received by a Class 2 transit entity pursuant to section 1310 and utilized to fund asset maintenance costs pursuant to this subsection shall be matched by local or private funding in an amount equal to at least one-thirtieth of the amount expended for such purposes.

(iii) Class 3 transit entities may utilize for asset maintenance costs up to a maximum of 50% of the funds received pursuant to section 1310. Moneys received by a Class 3 transit entity pursuant to section 1310 and utilized to fund asset maintenance costs pursuant to this subsection shall be matched by local or private funding in an amount equal to at least one-thirtieth of the amount expended for such purposes. No matching funds shall, however, be required if the department shall have received from the local governmental funding source which would otherwise provide such matching funds a certification that compliance with the matching requirement would create an undue financial burden upon the local governmental funding source such that a curtailment of government services endangering the public health and safety would ensue.

(iv) Class 4 transit entities may utilize for asset maintenance costs up to a maximum of 50% of the funds

received pursuant to section 1310. Moneys received by a Class 4 transit entity pursuant to section 1310 and utilized to fund asset maintenance costs pursuant to this subsection shall be matched by local or private funding in an amount equal to at least one-thirtieth of the amount expended for such purposes, provided, however, that no matching funds shall be required if the department shall have received from the local governmental funding source which would otherwise provide such matching funds a certification that compliance with the matching requirement would create an undue financial burden upon the local governmental funding source such that a curtailment of government services endangering the public health and safety would ensue.

(f) Eligible projects.--Notwithstanding any other provision of this chapter, moneys provided under section 1310 to community transportation programs may be expended only in accordance with section 1312 and only to fund all or a portion of eligible projects of such entities as enumerated in section 1312.

(g) Matching funds.--The moneys provided to local transportation organizations, transportation companies or community transportation programs pursuant to section 1310 may be used as matching funds to obtain Federal aid for capital projects.

(h) Use by department.--Funds appropriated to the department pursuant to section 1310(b)(2) and (4) may be utilized by the department for the purposes provided in either of such paragraphs.

(i) Accounting.--Within 60 days after the end of each fiscal year for capital programs established by the local transportation organization or transportation company pursuant to section 1310(e), each local transportation organization and transportation company receiving moneys pursuant to section 1310 shall transmit to the department an accounting of all funds received pursuant to section 1310 in that fiscal year. The accounting shall be in a form prescribed by the department and shall include a listing of all expenditures on a project by project basis and the status of all unspent funds. The local transportation organization or transportation company shall grant access to the department or its duly authorized representatives to any and all records pertaining to funds received pursuant to section 1310.

§ 1312. Community transportation programs.

(a) Grants from lottery fund.--All counties except counties of the first and second class shall be entitled to grants from the State Lottery Fund for the purpose of adding, replacing, upgrading and overhauling equipment and purchasing, constructing or renovating facilities to serve as office and maintenance sites for the provision of reduced fare demand-response service. Equipment that may be purchased shall include, but shall not be limited to, vehicles, vehicle rehabilitation, major drivetrain components, communication equipment, computer equipment and software and office equipment and furnishings. The amount entitled to all counties and to be granted by the department shall not exceed \$2,300,000. The department may require the counties to coordinate the acquisition of equipment through a Statewide purchase program should the department find such a program to be cost efficient.

(b) Procedure.--

(1) The department is hereby authorized to make grants to all counties, except those of the first and second class, or to entities designated by such counties to coordinate

services under this section in such county, for the purpose of adding, replacing, upgrading and overhauling equipment for the provision of shared-ride transit services responsive to and accessible by the general public as well as the elderly and disabled. If sufficient funds remain after all department approvals for such equipment projects have been fully funded, the department is hereby authorized to make grants for the purchase, construction or renovation of facilities to serve as office and maintenance sites for the provision of shared-ride transit services responsive to and accessible by the general public as well as the elderly and disabled. Equipment that may be purchased shall include, but shall not be limited to, vehicles, vehicle rehabilitation, major drivetrain components, communication equipment, computer equipment and software and office equipment and furnishings.

(2) Counties other than counties of the first and second class may obtain grants pursuant to this subsection by filing with the department an application in a form prescribed by it. The department shall require with such application a transportation plan plus such other information as the department may require.

(3) The applicant shall certify that all efforts possible have been made to coordinate local service for the elderly and disabled and the services to be offered with these capital assets do not duplicate existing fixed route services, as provided under the act of February 11, 1976 (P.L.14, No.10), known as the Pennsylvania Rural and Intercity Common Carrier Surface Transportation Assistance Act, and under other provisions of this part. The applicant shall solicit comments from the local public body fixed route provider and include any such comments as part of the application.

(4) All purchases pursuant to this subsection shall be made in accordance with bidding procedures established under the act of May 2, 1945 (P.L.382, No.164), known as the Municipality Authorities Act of 1945, or the act of August 9, 1955 (P.L.323, No.130), known as The County Code, whichever is applicable.

(c) Next fiscal year.--Funds not expended under this section in the fiscal year in which they were made available shall not lapse and shall be available for use pursuant to this section in the next fiscal year.

§ 1313. Additional programs.

(a) Projects and programs enumerated.--The department is hereby authorized to incur costs directly or to make grants, undertake and provide financial support:

(1) To new rural transportation systems for the purpose of funding capital, asset maintenance and operating costs of new rural transportation systems. New rural transportation systems may obtain grants under this section by filing for each fiscal year with the department an application in a form prescribed by it. The department shall require with the application a transportation plan plus such other information as the department may require to establish to the satisfaction of the department that the new rural transportation system is deserving of a grant under this section.

(2) For the purpose of funding studies, analysis, planning and development of programs for public transportation assistance, services and facilities.

(3) To incur costs directly or to make grants for department-initiated programs.

(4) To make grants to Class 4 transit entities for the significant expansion of services by such entities from funds remaining in the development, planning and rural expansion share after all grants have been made for the fiscal year pursuant to paragraphs (1) and (2). Grants from the development, planning and rural expansion share shall be used by the Class 4 transit entity for the construction, acquisition, capital projects, asset maintenance and operating costs of the expansion of such entity. Class 4 transit entities may obtain grants by filing for each fiscal year with the department an application in a form prescribed by it. The department shall require with the application a transportation plan plus such other information as the department may require to establish to the satisfaction of the department that the Class 4 transit entity is deserving of a grant under this section.

(b) Next fiscal year.--Funds not expended under this section in the fiscal year in which they were made available shall not lapse and shall be available for use pursuant to this section in the next fiscal year.

§ 1314. Public Transportation Assistance Fund.

(a) Establishment.--There is hereby created a special fund in the State Treasury to be known as the Public Transportation Assistance Fund. Moneys deposited into the fund and interest which accrues from those funds shall be used for the purposes delineated in section 1310 (relating to distribution of funding).

(b) Revenue sources.--Funds received under the provisions of this section, as estimated and certified by the Secretary of Revenue, shall be deposited within five days of the end of each month into the fund. Unless otherwise specifically noted, the provisions of Article II of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall apply to the fees and taxes imposed by subsections (c), (d), (e) and (f). Unless otherwise specifically noted, the provisions of Article XI-A of the Tax Reform Code of 1971 shall apply to the tax imposed under subsection (g).

(c) Tire fee.--There is hereby imposed a fee on each sale in this Commonwealth of new tires for highway use at the rate of \$1 per tire. The fee shall be collected by the seller from the purchaser and remitted to the Department of Revenue. No exclusions or exemptions, other than those for governmental entities, provided under Article II of the Tax Reform Code of 1971 shall apply to the fees and taxes imposed by this section.

(d) Periodical tax.--

(1) There is hereby imposed a tax of 6% of the purchase price upon each separate sale at retail of a periodical and upon each separate mail order subscription for a periodical.

(2) As used in this subsection, the term "periodical" means a periodical regularly published at intervals not exceeding three months, which is circulated to the general public and which contains either matters of general interest or reports of current events or is devoted to literature, sports, the sciences, art or some other special industry or area of interest.

(e) Motor vehicle lease additional tax.--There is hereby imposed on each lease of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971 an additional tax of 3% of the total lease price charged.

(f) Motor vehicle rental fee.--There is hereby imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971 a fee of \$2 for each day or part of a day for which the vehicle is rented.

(g) Utility realty additional tax.--Every entity required to pay the tax imposed under Article XI-A of the Tax Reform Code of 1971 shall, in addition to that tax, pay an additional tax of 12 mills upon each dollar of the State taxable value of its utility realty at the end of the preceding calendar year.

CHAPTER 15 METROPOLITAN TRANSPORTATION AUTHORITIES

Sec.

- 1501. Definitions.
- 1502. Creation of transportation authorities.
- 1503. Powers and duties.
- 1504. Public hearings.
- 1505. Citizen Advisory Committee.
- 1506. Power to acquire property.
- 1507. Power to buy, lease or sell property.
- 1508. Power to contract with public utilities.
- 1509. Removal or relocation of utility structures.
- 1510. Use of ways occupied by other passenger utilities.
- 1511. Loans, bonds, certificates and trust indentures.
- 1512. Acquisition of equipment.
- 1513. Provisions of bonds and trust indentures.
- 1514. Bonds and certificates to be legal investments.
- 1515. Investment and reinvestment of funds.
- 1516. Governing and policymaking body.
- 1517. Appointment of board members.
- 1518. Resignation and vacancies.
- 1519. Meetings and quorum.
- 1520. Secretary.
- 1521. Controller.
- 1522. Treasurer.
- 1523. Deposit of funds, checks and drafts.
- 1524. Signatures of officers ceasing to hold office.
- 1525. Chief operations officer.
- 1526. Counsel to board.
- 1527. Legal division and general counsel.
- 1528. Other employees.
- 1529. Personnel matters.
- 1530. Transfers of facilities or things of value to any authority.
- 1531. Compacts to finance operations and particular projects.
- 1532. Contracts and procurement and sale of property.
- 1533. Conflict of interest.
- 1534. Fiscal provisions.
- 1535. Financial statements and audit.
- 1536. Transfer of records by Pennsylvania Public Utility Commission.
- 1537. Depreciation reserve.
- 1538. Damage Reserve Fund.
- 1539. Special funds.
- 1540. Investigations and subpoenas.
- 1541. Aid from Federal Government.
- 1542. Exemption from taxation.
- 1543. Limitation of powers.

§ 1501. Definitions.

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

"Authority." Any body corporate and politic created pursuant to this chapter.

"Board." The governing and policymaking body of an authority.

"Comprehensive transit plan." A comprehensive statement, consisting of maps, charts and textual matter, of the authority's policies, strategies and objectives for the development of the transit system consistent with the legislative findings and declared policy of this chapter and the rights, powers and duties of the authority.

"County commissioners." The members of the board of county commissioners in each of the counties in the metropolitan area, except counties of the first class.

"Federal agency." The United States of America, the President of the United States and any department or corporation, agency or instrumentality, heretofore or hereafter created, designated or established by the United States of America.

"Legislative body." The term shall mean, in counties of the first class, the city council; in the other counties, the board of county commissioners or the county council; and in the other municipalities, that body authorized by law to enact ordinances.

"Majority." Any whole number constituting more than half of the total number.

"Mayor." The chief executive officer of any first class city in any first class county.

"Metropolitan area." All of the territory within the boundaries of any county of the first class and all other counties located in whole or in part within 20 miles of such first class county.

"Municipality." Any city, county, borough or township of the first or second class within any metropolitan area.

"Persons." A corporation, association and other legal entity, as well as a natural person.

"Project." Any structure, facility or undertaking which an authority is authorized to acquire, construct, improve, lease, maintain, operate, contract for, or otherwise function with respect to, under the provisions of this chapter.

"Transit vehicle." A vehicle which is self-propelled or which is propelled by electric power.

"Transportation system." All property, real and personal, useful for the transportation of passengers for hire, including, but not limited to, power plants, substations, terminals, garages, bridges, tunnels, subways, elevated lines, monorails, railroad motive power, trains, railroad passenger cars and equipment, belt conveyors, inclines, car barns, street cars, buses, rails, lines, poles, wires, stations, off-street parking facilities rights-of-way, as well as the franchises, rights and licenses therefor, including rights to provide group and party services. The term shall not include a taxicab.

§ 1502. Creation of transportation authorities.

(a) Creation and purpose.--There is hereby authorized the creation of a separate body corporate and politic in each metropolitan area, to be known as the transportation authority of such area, extending to and including all of the territory in the metropolitan area. An authority shall in no way be deemed to be an instrumentality of any city or county or other municipality or engaged in the performance of a municipal function, but shall exercise the public powers of the

Commonwealth as an agency and instrumentality thereof. An authority shall exist for the purpose of planning, acquiring, holding, constructing, improving, maintaining, operating, leasing, either as lessor or lessee, and otherwise functioning with respect to a transportation system in the metropolitan area and, outside of such area, whether within or beyond the boundaries of the Commonwealth, to the extent necessary for the operation of an integrated system and for the provision of all group and party services which can be provided by transportation systems subject to acquisition under this chapter. All services rendered by the authority outside the metropolitan area shall be pursuant to certificates of public convenience or other appropriate authorization issued to it by the Pennsylvania Public Utility Commission or other appropriate regulatory agency of the Federal Government or any state. An authority shall transact no business or otherwise become operative until and unless a majority of its board shall have been qualified in accordance with this chapter.

(b) Certificate of incorporation.--

(1) The certification by the appointing power of each board member and the constitutional oath of office subscribed by each member shall be filed with the Department of State and, upon the receipt of initial certifications and respective oaths of a majority of the total number of board members appropriate to any metropolitan area, the Secretary of the Commonwealth shall issue a certificate of incorporation. This certificate shall refer to the authority by the name which shall be designated by such board members.

(2) In any suit, action or proceeding involving or relating to the validity or enforcement of any contract or act of an authority, a copy of the certificate of incorporation, duly certified by the Department of State, shall be admissible in evidence and shall be conclusive proof of the legal establishment of the authority.

§ 1503. Powers and duties.

A duly certified authority shall have and may exercise all powers necessary or convenient for the carrying out of the purposes set forth in section 1502 (relating to creation of transportation authorities), including, but without limiting the generality of that section, the following powers and duties:

(1) To have perpetual existence.

(2) To sue and be sued, implead and be impleaded, complain and defend in all courts, to petition the Interstate Commerce Commission or other regulatory body, or join in any proceeding before any such bodies or courts in any matter affecting the operation of any project of the authority.

(3) To adopt and use and alter at will a corporate seal.

(4) To establish a principal office within the county of the first class and such other office or offices as may be necessary for the carrying on of its duties.

(5) To acquire, purchase, hold, lease as lessee and use any franchise, property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the authority and to sell, lease as lessor, transfer and dispose of any property, or interest therein, at any time acquired by it. In exercising any of the powers granted by this paragraph, the authority shall consider, *inter alia*, the same value factors as provided in section 1509 (relating to removal or relocation of utility structures), in determining compensation under the exercise of eminent domain.

(6) To acquire by purchase, lease or otherwise and to construct, improve, maintain, repair and operate passenger transportation facilities.

(7) To make and from time to time to amend and repeal bylaws, rules, regulations and resolutions.

(8) To appoint officers, agents, employees and servants, to prescribe their duties and fix their compensation, subject, however, to specific provisions of this chapter.

(9) To fix, alter, charge and collect fares, rates, rentals and other charges for its facilities by zones or otherwise at reasonable rates to be determined exclusively by it, subject to appeal, as hereinafter provided, for the purpose of providing for the payment of all expenses and obligations of the authority, including the acquisition, construction, improvement, repair, maintenance and operation of its facilities and properties, the payment of the principal and interest on its obligations, and to comply fully with the terms and provisions of any agreements made with the purchasers or holders of any such obligations. The authority shall determine by itself, exclusively, the facilities to be operated by it, the services to be available and the rates to be charged therefor. Public hearings shall be held prior to such determinations when changes are proposed which would increase or decrease fares, establish new routes, eliminate routes, change routing or make substantial changes in the level of service scheduled. However, in the case of temporary changes not exceeding 90 days caused by emergencies, public hearings need not be held for changes in routing or level of scheduled service. Notice of public hearings shall be published in two newspapers of general circulation and a publication specifically designed to reach minorities not fewer than 30 calendar days prior to such hearing. Any person aggrieved by any rate or service or change of service fixed by the authority may bring an appeal against the authority for the purpose of protesting against any such charge, service or change of service. The grounds for such suits shall be restricted to a manifest and flagrant abuse of discretion or an error of law; otherwise, all such actions by the authority shall be final. Upon the finding of an error of law or a manifest and flagrant abuse of discretion, the court shall issue an order setting forth the abuse or error and returning the matter to the authority for such further action as shall be not inconsistent with the findings of the court. No appeal from the action of the authority or from the decision of the court of common pleas shall act as a supersedeas, except when taken by the authority or any county or municipality or, in other cases, when specially granted after a finding that irreparable and extraordinary harm will result. The courts shall give priority to all such appeals, and no bond shall be required of any party instituting such an appeal under the provisions of this section.

(10) The authority shall fix such rates, fares and charges in such manner that they shall be at all times sufficient in the aggregate, and in conjunction with any grants from Federal or other sources and any other income available to the authority, to provide funds for the payment of all operating costs and expenses which shall be incurred by the authority, for the payment of the interest on and principal of all bonds, certificates and other obligations payable from said revenues and to meet all other charges upon such revenues as provided by any trust agreement

executed by the authority in connection with the issuance of bonds or certificates under this chapter.

(11) The board may enter into agreements with the United States Postal Service for the transportation of mail and payment of compensation to the authority in lieu of fares for the transportation of letter carriers in uniform at all times. The board may make similar agreements within any municipality, in and by which they are employed, for the transportation of firemen and public health nurses when in uniform, and of police officers when in uniform or when not in uniform, upon presentation of identification as police officers. The board may also provide free transportation for employees of the authority when in uniform or upon presentation of identification as such employees.

(12) To borrow money from private lenders or from the Federal or State Government or from any municipality in the metropolitan area in such amounts as may be necessary or desirable for the operation and work of the authority; to make and issue negotiable notes, bonds, refunding bonds and other evidences of indebtedness or obligations of the authority in connection with any such borrowing or refunding or in payment in whole or in part of all or any part of any transportation system, or any bonds, shares or other securities of any corporation owning or operating any such system, or any franchises, property, equipment or interests acquired or to be acquired by the authority, and to secure the payment of such bonds, or any part thereof, by pledge or deed of trust of all or any of its revenues, rentals and receipts, and to make such agreements with the purchasers or holders of such bonds or with others in connection with any such bonds, whether issued or to be issued as the authority shall deem advisable and, in general, to provide for the security for said bonds and the rights of the holders thereof.

(13) To apply for and to accept grants, loans and other assistance from, and to enter into contracts, leases or other transactions with, the Federal Government or any agency or instrumentality thereof, the Commonwealth, any municipality or corporation or any person whatsoever for any of the purposes of the authority, and to enter into any agreement with the Federal Government in relation to such grants, loans or other assistance, provided that such agreement does not conflict with any of the provisions of any trust agreement securing the payment of bonds or certificates of the authority.

(14) To make and execute all contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and any contract or instrument when signed by the chairman or vice chairman and secretary or assistant secretary or treasurer or assistant treasurer of the authority shall be held to have been properly executed for and on its behalf. Without limiting the generality of the foregoing, the authority is also authorized to enter into contracts for the purchase, lease, operation or management of transportation facilities within or without the metropolitan area or within or without the Commonwealth. Whenever any such facilities are located outside the metropolitan area, they shall be subject to the jurisdiction of the appropriate regulatory agencies.

(15) To acquire by eminent domain any real or personal property, including improvements, fixtures and franchises

of any kind whatever, for the public purposes set forth in this chapter in the manner hereinafter provided.

(16) To pledge, hypothecate or otherwise encumber, all or any of the revenues or receipts of the authority as security for all or any of the obligations of the authority.

(17) To do all acts and things necessary for the promotion of its business and the general welfare of the authority to carry out the powers granted to it by this chapter or any other statute.

(18) To enter into contracts with the Commonwealth, its agencies and instrumentalities, municipalities or corporations, on such terms as the authority shall deem proper for the use of any facility of the authority, and fixing the amount to be paid therefor.

(19) To explore alternative means of raising revenue, including, but not limited to, real estate leases and rentals, equipment leases and rentals, contracting of services, the solicitation of competitive bids and the awarding of contracts to the highest responsible bidder for both interior and exterior advertising on all authority equipment on which the public is charged a fare for riding. However, on rail passenger units only, bids for interior advertising shall be solicited. The authority shall, by April 15 of each year, submit a report to the Department of Transportation and the Auditor General. The report shall detail the actions of the authority in exploring alternate means of raising revenue. The Department of Transportation shall review the report and issue its findings and recommendations to the Transportation Committee of the Senate and the Transportation Committee of the House of Representatives no later than 30 days after receipt of such report for review and consideration of future funding by such committees. Where any alternate means have been rejected, the authority shall demonstrate that the feasibility and cost-effectiveness of that alternate means have been considered.

(20) To enter into contracts of group insurance for the benefit of its employees, or to continue any existing insurance or pension or retirement system or any other employee benefit arrangement covering employees of an acquired existing transportation system, or to set up a retirement or pension fund or any other employee benefit arrangement for such employees.

(21) The authority shall have no power, at any time or in any manner, to pledge the credit or taxing power of the Commonwealth, or any political subdivision, nor shall any of its obligations be deemed to be obligations of the Commonwealth or of any of its political subdivisions, nor shall the Commonwealth or any political subdivision thereof be liable for the payment of principal or interest on such obligations.

(22) Private rights and property in the beds of existing public highways vacated in order to facilitate the purposes of the authority shall not be deemed destroyed or ousted by reason of such vacation, but shall be acquired or relocated by the authority in the same manner as other property.

(23) To have the right to use any public road, street, way, highway, bridge or tunnel for the operation of a transportation system within the metropolitan area. In all cases involving the facilities of a railroad, any operations of which extend beyond the metropolitan area, the exercise of this right by the authority shall be subject to the

jurisdiction of the Pennsylvania Public Utility Commission under Title 66 (relating to public utilities).

(24) To lease property or contract for service, including managerial and operating service, whenever it can more efficiently and effectively serve the public by so doing, rather than conducting its own operations with its own property.

(25) To self-insure or otherwise provide for the insurance of any property or operations of the authority against any risks or hazards.

(26) To act as agent of the State, or of the Federal Government or any of its instrumentalities or agencies, for the public purpose set out in this chapter.

(27) To conduct examinations and investigations and to hear testimony and take proof, under oath or affirmation at public or private hearings, as hereinafter provided, on any matter material to the public purposes set forth in this chapter.

(28) To make available to the government of a municipality or any appropriate agency, board or commission thereof, the recommendations of the authority affecting any area in the authority's field of operation or property therein, which it may deem likely to promote the public health, morals, safety and welfare.

(29) To form plans for the improvement of mass transportation in order to promote the economic development of the metropolitan area in which the transportation authority operates, to make recommendations concerning mass transportation facilities which the authority does not own or operate, to make recommendations concerning thoroughways and arterial highway connections to the department and to other appropriate governmental bodies and otherwise to cooperate with all such governmental bodies. The authority shall give advance notice to the department of any plans which it may have for the occupation or use of any part of any State highway.

(30) The authority shall not have power to levy taxes for any purpose whatsoever.

(31) It shall be the duty of the board, as promptly as possible, to rehabilitate, reconstruct and extend as possible all portions of any transportation system acquired by the authority and to maintain at all times a fast, reliable and economical transportation system suitable and adapted to the needs of the municipalities served by the authority and for safe, comfortable and convenient service. To that end, the board shall make every effort to utilize high-speed rights-of-way, private or otherwise, to the maximum extent practicable to avoid air pollution by its vehicles, to abandon no physical property which has useful and economical capabilities and to extend its rail and highway services into areas which have sufficient need for them to economically or strategically justify such extension.

(32) To agree with the constituent municipalities in which it operates for the lease of present and future municipal property, where such a lease would be advantageous to the authority in the financing or the operation of improved passenger transportation service.

(33) To adopt, consistent with the policies of this chapter, and from time to time amend, a comprehensive transit plan. A public hearing shall be conducted prior to adoption or amendment. Notice of such public hearing shall be published in two newspapers of general circulation and a

publication specifically designed to reach minorities not fewer than 30 days prior to such hearing.

§ 1504. Public hearings.

(a) Conduct.--All public hearings required by this chapter shall be conducted so as to insure that:

(1) Members of the public are afforded a reasonable opportunity to comment orally or in writing or both orally and in writing concerning actions the authority proposes to take.

(2) The site of the hearing is a convenient, accessible location.

(3) Members of the public are adequately informed at the outset regarding the purposes of the hearing and the matters on the agenda.

(4) Reasonable and legitimate questions from members of the public are answered.

(b) Decrease in service.--Whenever a decrease in service is proposed, a public hearing shall be conducted in accordance with this section in the area affected by the proposed decrease in service.

§ 1505. Citizen Advisory Committee.

(a) Establishment and composition.--There is hereby established a Citizen Advisory Committee. The committee shall consist of:

(1) an even number of members of the general public not fewer than 14 and not greater than 24, the exact number to be determined by the chief operations officer, who shall be appointed by the county commissioners or the county council, as the case may be, of all counties of the third class and second class A who are involved with any city of the first class in the operation of a mass transportation system and by the mayor of any city of the first class from residents of their respective municipalities who are regular users of mass transportation service; and

(2) five members of the general public, one resident from each of the counties described in paragraph (1) and one resident from the city described in paragraph (1) who are regular users of mass transportation service who shall be appointed by the chief operations officer.

(b) Terms.--The composition of the committee shall reflect the proportionate distribution of total ridership among all counties of the third class and second class A who are involved with any city of the first class in the operation of a mass transportation system and any city of the first class. The terms of the members shall be two years from the date of appointment or until a successor has been appointed except that one-half of the members first appointed shall serve for terms of one year and the other one-half shall serve for terms of two years. No member shall serve more than three consecutive terms. The committee shall select from among its number a chairman, vice chairman and a secretary. A majority of the members of the committee plus one shall constitute a quorum.

(c) Subjects to be submitted.--Regardless of whether public hearings are required on the following matters, the chief operations officer shall submit to the committee proposals regarding the adoption or amendment of a comprehensive transit plan, the annual operating budget, any capital budget, the facilities to be operated, the services to be available and the rates to be charged therefor or other matters of a similar nature prior to any final action relating to any of the foregoing. The committee may thoroughly consider such proposals and may prepare and transmit to the chief operations officer

and to any interested member of the public written comments concerning the proposals prior to the date when final action is to be taken.

(d) Nature of committee's comments.--Although the chief operations officer shall give careful and due consideration to the committee's comments prior to the taking of any final action, such comments shall be considered only advisory in nature.

§ 1506. Power to acquire property.

(a) General rule.--

(1) The authority shall have power to acquire, by purchase, condemnation, lease, gift or otherwise, all or any part of the property of any public utility operating a transportation system within the metropolitan area, including, but not limited to, the plant, equipment, property rights in property reserve funds, employees' pension or retirement funds, special funds, franchises, licenses, patents, permits, operating rights and paper documents and records, which said property shall be located within the metropolitan area and shall be appropriate for the purposes for which the authority is established, as well as all or any part of the right-of-way, equipment, fixed facilities and other property of any kind of any such utility, extending beyond the boundaries of the metropolitan area and forming, or capable of forming, part of an integrated suburban rapid transit or rail transportation facility, connecting with rapid transit or electric railway lines of the authority in superhighways or elsewhere. No interest in the right-of-way of a railroad company the operations of which extend beyond the metropolitan area shall be acquired or occupied under the power of eminent domain pursuant to this section or any other section without the consent of said railroad.

(2) Such properties, upon acquisition by or lease to the authority, shall become and be operated as part of the transportation system of the authority, and the authority shall have all powers in connection with such properties and such operations as are conferred by this chapter.

(3) The authority shall also have the power to enter into agreements to operate any such lines located or extending beyond the boundaries of the metropolitan area, such agreements to be subject to all other provisions of this chapter. The authority shall have power to lease or purchase any municipally owned local transportation subways or other municipally owned local transportation facilities for operation and maintenance by the authority.

(b) Condemnation procedure.--

(1) Whenever the authority shall condemn all or substantially all of the property of a transportation system, it may elect to commence condemnation proceedings without immediate passage of title by inserting a provision to that effect in the declaration of taking. In that event, the provisions of section 407 of the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the Eminent Domain Code, shall not apply, and the title shall not pass to the authority and the authority shall not be entitled to possession until payment to the condemnee or into court of the amount of the just compensation payable for the property taken, determined as of the date of filing of the declaration of taking, as finally determined in accordance with the provisions of this chapter, provided that such payment occurs within one year of such final determination.

(2) From and after the filing of the declaration of taking until the payment to the condemnee of just compensation for the condemned property, the authority shall have the right to petition the court having jurisdiction of the proceedings to prevent waste, substantial disposition or any transaction with respect to the condemned property other than in the ordinary course of business without obtaining the prior written consent of the authority. The condemnee shall have no right to tender possession of the property or otherwise to demand payment of any compensation prior to such passage of title.

§ 1507. Power to buy, lease or sell property.

The authority shall have power to acquire by purchase, condemnation, lease, gift or otherwise, any property and rights useful for its purposes and to sell, lease, transfer or convey any property or rights when no longer useful or exchange the same for other property or rights which are useful for its purposes.

§ 1508. Power to contract with public utilities.

The authority shall have power to enter into agreements with any public utility operating a railroad or any other transportation facility, either within or without the metropolitan area, for the joint use of any property of the authority or public utility or the establishment of through routes, joint fares and transfer of passengers.

§ 1509. Removal or relocation of utility structures.

(a) Procedure.--

(1) The authority shall have power, subject to relevant provisions of section 1503(23) (relating to powers and duties), to require persons or corporations owning or operating public utility structures and appliances in, upon, under, over, across or along the public roads, streets, or other public ways in which the authority has the right to own, construct, operate or maintain transportation facilities to remove such public utility structures and appliances from their locations. If any person or corporation owning or operating public utility structures and appliances fails or refuses so to remove or relocate them, the authority may remove or relocate them; the authority shall provide the new location which the structures or appliances as relocated shall occupy, and to that end the authority is hereby authorized to acquire by purchase or by the exercise of the power of eminent domain any necessary land or right-of-way for such purpose, if the new location shall not be in, on or above a highway, road or street. The exact new location shall be chosen by agreement of the authority and the utility. Upon the completion of such relocation, the authority shall reimburse the public utility for the cost of relocation which shall be the entire amount paid by the utility properly attributable to the relocation of the structure or appliance after deducting the cost of any increase in the service capacity of the new structure or appliance and any salvage value derived from the old structure or appliance.

(2) If an issue shall arise between the authority and the public utility as to the amount of the cost of relocation or the new location, either party may institute a proceeding by complaint before the Pennsylvania Public Utility Commission which shall have exclusive jurisdiction to hear and determine such issue. Appeal from the order of the commission in any such proceeding may be taken in the same

manner as is prescribed by law for appeals from other orders of the commission.

(b) Eminent domain.--

(1) The authority shall have the right of eminent domain which may be exercised, either within or without the metropolitan area, to acquire private property and property devoted to any public use which is necessary for the purposes of the authority, except property of a public utility operating transportation facilities extending beyond the boundaries of the metropolitan area.

(2) The authority shall have the right of eminent domain to acquire property of any railroad which property is not used for or in connection with the transportation of persons or property and to acquire rights and easements across, under or over the right-of-way of such railroad whenever the authority shall acquire the private right-of-way or other property of a public utility used or useful in its service to the public.

(3) It shall, before requiring the removal of the existing structures and appliances, provide a new location for the said structures and appliances and, upon the completion of relocation, reimburse the public utility for the cost thereof in the manner provided in subsection (a).

(c) Title.--Title to any property acquired by an authority through eminent domain shall be an absolute ownership or fee simple title unless a lesser title shall be designated specifically in the eminent domain proceedings.

(d) Public utilities.--Real and personal property of any kind whatever belonging to a public utility corporation providing transportation or transportation-related services may be acquired without the approval of the Public Utility Commission. In all cases involving the facilities of a railroad, any operations of which extend beyond the metropolitan area, the exercise of the power of the authority under this subsection shall be subject to the jurisdiction of that commission under Title 66 (relating to public utilities).

(e) Certain property exempt.--No property owned or used by the United States, the Commonwealth, any political subdivision thereof, or any body politic and corporate organized as an authority under any law of the Commonwealth or by any agency of any of them, nor property used for burial purposes or places of public worship, shall be taken under the right of eminent domain without the consent of the owner or user thereof.

(f) Negotiation.--Before exercising the power of eminent domain, reasonable efforts shall be made by the authority to achieve the desired result through negotiation.

§ 1510. Use of ways occupied by other passenger utilities.

The authority shall not have the right to use any street or public way presently occupied by a public utility engaged in local passenger transportation for a competing purpose without the agreement of the public utility.

§ 1511. Loans, bonds, certificates and trust indentures.

(a) Bonds and certificates.--The authority shall have the continuing power to borrow money for the purpose of acquiring any transportation system (including any cash funds of such system reserved to replace worn out or obsolete equipment and facilities) and for acquiring necessary cash working funds or for acquiring, constructing, reconstructing, extending or improving its transportation system or any part thereof and for acquiring any property and equipment useful for the construction, reconstruction, extension, improvement or operation of its transportation system or any part thereof, and

for any other of its corporate purposes. The authority shall also have the continuing power to issue and deliver evidence of its indebtedness in payment in whole or in part for all or any part of any transportation system or any bonds, shares or other securities of any corporation owning or operating any such system or any franchises, property, equipment or interests acquired or to be acquired by the authority. For the purpose of evidencing the obligation of the authority to repay any money borrowed as aforesaid or to pay any indebtedness incurred in connection with the acquisition of all or any part of any transportation system or any bonds, shares or other securities of any corporation owning or operating any such system or any franchises, property, equipment or interests as aforesaid, the authority may, pursuant to resolution adopted by the board, from time to time, issue and dispose of its interest-bearing bonds or certificates and may also, from time to time, issue and dispose of its interest-bearing bonds or certificates, to refund any bonds or certificates at maturity or pursuant to redemption provisions or at any time before maturity with the consent of the holders thereof. All such bonds and certificates shall be payable solely from the revenues or income to be derived from the transportation system, including grants, gifts or contributions from the Federal, State or local governments, their agencies or instrumentalities or any other source; may bear such date or dates; may mature at such time or times not exceeding 40 years from their respective dates; may bear interest at such rate or rates; may be in such form; may carry such registration privileges; may be executed in such manner; may be payable at such place or places; may be made subject to redemption in such manner and upon such terms with or without premium as is stated on the face thereof; may be authenticated in such manner and may contain such terms and covenants, all as may be authorized by the board. Notwithstanding the form or tenor thereof, and in the absence of an express recital on the face thereof that it is nonnegotiable, all such bonds and certificates shall be negotiable instruments. Pending the preparation and execution of any such bonds or certificates, temporary bonds or certificates may be issued with or without interest coupons as may be authorized by the board.

(b) Trust indentures.--To secure the payment of any or all of such bonds or certificates and for the purpose of setting forth the covenants and undertaking of the authority in connection with the issuance thereof and the issuance of any additional bonds or certificates payable from such revenue or income as well as the use and application of the revenue or income to be derived from the transportation system, the authority may execute and deliver a trust indenture or indentures. A remedy for any breach or default of the terms of any such trust indenture by the authority may be by mandamus or injunction proceeding, or other proceeding in law or in equity in any court of competent jurisdiction to compel performance and compliance therewith, but the trust indenture may prescribe by whom or on whose behalf such action may or may not be instituted.

(c) Credit of Commonwealth and political subdivisions not pledged.--Under no circumstances shall any bonds or certificates issued by the authority or any other obligation of the authority be or become an indebtedness or obligation of the Commonwealth or of any political subdivision thereof.

(d) Procedure.--Before any such bonds or certificates (excepting refunding bonds or certificates and bonds or certificates issued in payment in whole or in part of all or

any part of any transportation system, or any bonds, shares or other securities of any corporation owning or operating any such system, or any franchises, property, equipment or interests) are sold, the entire authorized issue or any part thereof shall be offered for sale as a unit after advertising for bids at least three times in a daily newspaper of general circulation published in the metropolitan area, the last publication to be at least ten days before bids are required to be filed. Copies of such advertisement may be published in any newspaper or financial publication in the United States. All bids shall be sealed, filed and publicly opened as authorized by the board, and the bonds or certificates shall be awarded to the highest responsible bidder or bidders therefor. The authority shall have the right to reject all bids and readvertise for bids in the manner provided for in the initial advertisement. However, if no bids are received, such bonds or certificates may be sold at not less than par value and accrued interest without further advertising within 60 days after the bids are required to be filed pursuant to any advertisement. The foregoing requirements of competitive bidding shall not be applicable to bonds or certificates or other evidences of indebtedness issued in payment in whole or in part for all or any part of any transportation system or any bonds, shares or other securities of any corporation owning or operating any such system or any franchises, property, equipment or interests acquired or to be acquired by the authority, nor shall such requirements be applicable to notes issued by the authority which mature in not more than three years from date of issue and which are issued in anticipation of financing over a longer term.

(e) Tax exemption.--The bonds of the authority created under the provisions of this chapter, the sale or transfer thereof and the income therefrom shall, at all times, be free from taxation for State or local purposes under any law of this Commonwealth or political subdivision thereof.

(f) Nonliability.--Neither the board members of the authority nor any person executing the bonds shall be liable personally on any such bonds by reason of the issuance thereof.

(g) Price of bonds.--Bonds of the authority which are sold for cash may be sold at not less than 95% of par and accrued interest.

(h) Signatures.--In case any of the officers of the authority whose signatures appear on any bonds or coupons shall cease to be officers before the delivery of such bonds, their signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officers had remained in office until such delivery.

(i) Bonds deemed valid.--Any bond reciting in substance that has been issued by the authority to accomplish the public purposes of this chapter shall be conclusively deemed in any suit, action or proceeding involving the validity or enforceability of such bond or security therefor to have been issued for such purpose.

§ 1512. Acquisition of equipment.

(a) General rule.--The authority shall have power to purchase equipment such as cars, trolley buses and motor buses and may execute agreements, leases and equipment trust certificates in the form customarily used in such cases appropriate to effect such purchase and may dispose of such equipment trust certificates. Wherever feasible, such certificates shall be offered for public sale in a manner similar to that provided for the sale of bonds in this chapter.

All money required to be paid by the authority under the provisions of these agreements, leases and equipment trust certificates shall be payable solely from the revenue or income to be derived from the transportation system and from grants and loans as provided elsewhere in this chapter. Payment for equipment or equipment rentals may be made in installments and the deferred installments may be evidenced by equipment trust certificates payable solely from the revenue, income, grants or loans, and title to such equipment shall not vest in the authority until the equipment trust certificates are paid.

(b) Trustee.--The agreement to purchase may direct the vendor to sell and assign the equipment to a bank or trust company duly authorized to transact business in the Commonwealth as trustee for the benefit and security of the equipment trust certificates and may direct the trustee to deliver the equipment to one or more designated officers of the authority and may authorize the trustee simultaneously therewith to execute and deliver a lease of the equipment to the authority.

(c) Authorization and acknowledgment.--The agreements and leases shall be duly acknowledged before some person authorized by law to take acknowledgments of deeds and in the form required for acknowledgments of deeds. Agreements, leases and equipment trust certificates shall be authorized by resolution of the board and shall contain those covenants, conditions and provisions as may be deemed necessary or appropriate to insure the payment of the equipment trust certificates from the revenue or income to be derived from the transportation system.

(d) Provisions of agreements, etc.--The covenants, conditions and provisions of the agreements, leases and equipment trust certificates shall not conflict with any of the provisions of any trust indenture securing the payment of bonds or certificates of the authority.

(e) Filing.--An executed copy of each such agreement and lease shall be filed in the Office of the Secretary of the Commonwealth who shall be entitled to receive \$1 for each such copy filed. This filing shall constitute notice to any subsequent judgment creditor or any subsequent purchaser. Each vehicle so purchased and leased shall have the name of the owner and lessor plainly marked upon both sides thereof, followed by the words "Owner and Lessor."

(f) Conferring of certain rights.--An authority shall have power by the resolution, trust, indenture, mortgage, lease or other contract to confer upon any obligees holding or representing a specified percentage in bonds, or holding a lease, the right, in addition to all rights that may otherwise be conferred, upon the happening of an event of default as defined in such resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction:

(1) To obtain the appointment of a receiver of any real property of the authority and of the rents and profits therefrom. If such receiver be appointed, he may enter and take possession of such real property, operate the same and collect and receive all revenues or other income thereafter arising therefrom and shall keep such moneys in a separate account and apply the same in accordance with the obligations of the authority as the court shall direct.

(2) To require the authority, and the board members thereof, to account as if it and they were the trustees of an express trust.

§ 1513. Provisions of bonds and trust indentures.

In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment

of such bonds or obligations, the authority, in addition to its other powers, shall have power:

(1) To pledge all or any part of its gross or net revenues to which its right then exists or may thereafter come into existence.

(2) To mortgage all or any part of its real or personal property then owned or thereafter acquired.

(3) To covenant against pledging all or any part of its revenues, or against mortgaging all or any part of its real or personal property to which its right or title exists or may thereafter come into existence, or against permitting or suffering any lien on such revenues or property to covenant with respect to limitations on its right to sell, lease or otherwise dispose of any of its real property, and to covenant as to what other or additional debts or obligations may be incurred by it.

(4) To covenant as to the bonds to be issued and as to the issuance of such bonds, in escrow or otherwise, and as to the use and disposition of the proceeds thereof, to provide for the replacement of lost, destroyed or mutilated bonds, to covenant against extending the time for the payment of its bonds or interest thereon and to redeem the bonds and to covenant for their redemption and to provide the terms and conditions thereof.

(5) To covenant, subject to the limitations contained in this chapter, as to the amount of revenues to be raised each year or other period of time, as well as to the use and disposition to be made thereof, to create or to authorize the creation of special funds for debt service or other purposes and to covenant as to the use and disposition of the moneys held in such funds.

(6) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds, the holders of which must consent thereto and the manner in which such consent may be given.

(7) To covenant as to the use of any or all of its real or personal property, to warrant its title and to covenant as to the maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon and the use and disposition of insurance moneys.

(8) To covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant, condition or obligation, and to covenant and prescribe, in the event of default, as to terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived.

(9) To vest in a trustee or the holders of bonds or any proportion of them the right to enforce the payment of the bonds or any covenants securing or relating to the bonds, to vest in a trustee the right, in the event of a default by the authority, to take possession and use, operate and manage any real property and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement of the authority with such trustee, to provide for the powers and duties of a trustee and to limit liabilities thereof and to provide the terms and conditions upon which the trustee or the holders of bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds.

(10) To make covenants other than, and in addition to, the covenants herein expressly authorized, to make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the absolute discretion of the authority, as will tend to accomplish the purposes of this chapter, by making the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

§ 1514. Bonds and certificates to be legal investments.

The Commonwealth and all political subdivisions and public bodies and public officers of any thereof, all banks, bankers, trust companies, saving banks and institutions, building and loan associations, saving and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or certificates issued pursuant to this chapter, it being the purpose of this section to authorize the investment in such bonds or certificates of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers.

§ 1515. Investment and reinvestment of funds.

The authority shall have the power to invest and reinvest any funds held in reserve or sinking funds not required for immediate disbursement:

(1) in obligations of the United States and of the Commonwealth of Pennsylvania as defined in 20 Pa.C.S. § 7303(1) and (2) (relating to government obligations) and obligations of Federal organizations as defined in 20 Pa.C.S. § 7304 (relating to obligations of Federal organizations); and

(2) for sinking fund purposes only, in bonds or certificates of the authority at not to exceed their par value or their call price plus accrued interest; and to sell any of the securities acquired under paragraph (1) whenever the funds are needed for disbursement. Such investment or reinvestment of any fund shall not be in conflict with any provisions of any trust agreement securing the payment of bonds or certificates of the authority.

§ 1516. Governing and policymaking body.

(a) Transportation board.--The governing and policymaking body of the authority shall be a board, to be known as the transportation board of the metropolitan area, consisting of members to be appointed as hereinafter provided who, except for the appointee of the Governor, must be residents of the metropolitan area. No board member shall be allowed any fees, perquisites or emoluments, reward or compensation for his services as a member or officer of the authority, but he shall be reimbursed for actual expenses incurred by him in the performance of his duties.

(b) Limit on exercise of powers.--The board shall not involve itself in the day-to-day administration of the authority's business. It shall limit its exercise of powers to such areas of discretion or policy as the functions and programs of the authority, the authority's operating and capital budgets, the authority's standard of services, utilization of technology, the organizational structure and, subject to the provisions of this chapter, the selection of personnel and the establishment of salaries for such personnel.

§ 1517. Appointment of board members.

(a) Appointment.--At any time after the effective date of this chapter:

(1) The Governor may appoint, as a member of the board, one person who may be an ex officio appointee from among the various officials in the government of the Commonwealth and whose term as a board member shall run concurrently with that of his Commonwealth position, if any, or the term of the appointing Governor, whichever is shorter.

(2) The county commissioners or the county council in each county and, in any county of the first class containing a city of the first class, the mayor, with the approval of the city council, may appoint two persons for each county to serve as board members.

(3) The Majority and Minority Leaders of the Senate and the Majority and Minority Leaders of the House of Representatives may each appoint one person to serve as a board member whose term shall be concurrent with the term and who shall serve at the pleasure of the appointing legislative leader.

(b) Successor.--At the expiration of the term of any board member, his successor shall be appointed by the same power who appointed him, for a term of five years from such expiration date.

(c) Certification and oath of office.--The appointing powers shall certify their respective appointments to the Secretary of the Commonwealth. Within 30 days after certification of his appointment and before entering upon the duties of his office, each member of the board shall take and subscribe the constitutional oath of office and file it in the Office of the Secretary of the Commonwealth.

§ 1518. Resignation and vacancies.

Members of the board shall hold office until their respective successors have been appointed and have qualified. The appointing power may remove any member of the board appointed by him or them, but only in case of incompetency, neglect of duty or malfeasance in office. No member shall be thus removed except after having been given a copy of the charges against him and an opportunity to be publicly heard, at a place in the metropolitan area, in person or by counsel, in his own defense upon not less than ten days' written notice. In case of failure to qualify within the time required or of abandonment of his office or in case of death, conviction of a felony or removal from office, his office shall become vacant. A member shall be deemed to have abandoned his office upon failure to attend any regular or special meeting of the board, without excuse approved by resolution of the board, for a period of four months, or upon removal of his residence from the metropolitan area. Each vacancy shall be filled for the unexpired term by appointment in like manner and with like regard as to the place of residence of the appointee as in case of expiration of the term of a member of the board. A member removed for incompetency, neglect of duty or malfeasance in office shall have the right to appeal such removal to the court of common pleas of the county for which he was appointed, but only on the ground of error of law or manifest and flagrant abuse of discretion.

§ 1519. Meetings and quorum.

(a) Meetings.--Regular meetings of the board shall be held in the metropolitan area at least once in each calendar month, except July or August, the time and place of such meetings to be fixed by the board. A majority of the board shall constitute a quorum for the transaction of business. All action of the

board shall be by resolution, and the affirmative vote of a majority of all the members shall be necessary for the adoption of any resolution. No action by the board to which an express objection has been made, pursuant to this section, by a board member or members representing a county or counties having one-third or more of the population of the metropolitan area, as determined by the most recent decennial census, shall be carried unless supported at a subsequent regular meeting of the board by the votes of at least three-quarters of the membership of the board. In case of disagreement between members representing the same county, each member shall be deemed to represent one-half of the population of that county.

(b) Officers.--The board shall elect from among its members a chairman and a vice chairman who shall serve for a term of one year and until their successors shall have been elected and qualified and shall perform such duties as the board shall, by resolution, determine.

(c) Public records.--All resolutions and all proceedings of the authority and all documents and records in its possession shall be public records and open to public inspection, except such documents and records as shall be kept or prepared by the board for use in negotiations, actions or proceedings to which the authority is or may become a party.

§ 1520. Secretary.

The board shall appoint a secretary, who shall not be a member of the board, to hold office at the pleasure of the board and shall fix such person's duties and compensation. The secretary shall not be engaged in any other business or employment during his tenure of office as secretary of the board. Before entering upon the duties of his office, he shall take and subscribe the constitutional oath of office. Officers and employees of the authority, and such members of the board as the board may determine, shall execute corporate surety bonds, conditioned upon the faithful performance of their respective duties. A blanket form of surety bond may be used for this purpose if the board deems such procedure to be practical and prudent. The obligation of the sureties shall not extend to any loss sustained by the insolvency, failure or closing of any national or State bank wherein funds of the authority have been deposited if the bank has been approved by the board as a depository for these funds. The oaths of office and the surety bond or bonds shall be filed in the principal office of the authority.

§ 1521. Controller.

As a condition of eligibility for grants made pursuant to section 1303 (relating to annual appropriation and computation of subsidy), all Class 1 transit entities shall appoint a controller. The board shall appoint a controller, who shall not be a member of the board, to hold office during the pleasure of the board and shall fix his compensation. The controller shall conduct a monthly examination of the books, accounts, documents and papers of the authority and report the results of his investigation to the board and the chief operations officer and the Secretary of Transportation. The controller shall submit an annual report of the authority's financial condition which shall be in addition to any other financial report required by this chapter to the board and the chief operations officer and the Secretary of Transportation. The controller shall execute a corporate surety bond and shall take and subscribe the oath of office provided in section 1520 (relating to secretary).

§ 1522. Treasurer.

The chief operations officer shall appoint a treasurer to hold office at his pleasure. In addition to the duties imposed on the treasurer by this chapter, the treasurer shall perform such other duties as the chief operations officer shall prescribe. The treasurer shall execute a corporate surety bond and shall take and subscribe the oath of office prescribed in section 1520 (relating to secretary).

§ 1523. Deposit of funds, checks and drafts.

(a) General rule.--All funds deposited by the treasurer in any bank shall be placed in the name of the authority and shall be withdrawn or paid out only by check or draft upon the bank, signed by the treasurer and countersigned by the chairman of the board. The board may designate any of its members or any officer or employee of the authority to affix the signature of the chairman to any check or draft for payment of salaries or wages and for the payment of any other obligation of not more than \$100,000. The chief operations officer may designate any officer or employee of the authority to affix the signature of the treasurer to any check or draft for payment of salaries or wages and for the payment of any other obligation of not more than \$100,000.

(b) Signature.--Whenever the business of the authority requires the affixing of the signature of any officer or employee of the authority, the use of a facsimile signature, when expressly authorized by resolution of the board, shall have the same force and effect as an original signature.

(c) Management of funds.--All bank balances to the extent the same are not insured shall be continuously secured by a pledge of direct obligations of United States of America, of the Commonwealth or of any municipality or municipalities in the metropolitan area, having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance on deposit in such bank. Such securities shall either be deposited with the treasurer of the authority or be held by a trustee or agent satisfactory to the authority. All banks and trust companies are authorized to give such security for such balances.

§ 1524. Signatures of officers ceasing to hold office.

In case any officer whose signature appears upon any check, draft, bond, certificate or interest coupon issued pursuant to this chapter ceases to hold his office before the delivery thereof to the payee or the purchaser of any bond or certificate, his signature nevertheless shall be valid and sufficient for all purposes with the same effect as if he had remained in office until delivery thereof.

§ 1525. Chief operations officer.

The board shall appoint a chief operations officer who shall have demonstrated that he is competent and experienced in the area of transit management and shall fix his compensation. The chief operations officer shall have the power and it shall be his duty to:

- (1) Manage the properties of the authorities.
- (2) Attend to the day-to-day administration, fiscal management and operation of the authority's business.
- (3) Appoint such employees as he deems necessary to conduct the affairs of his office, subject to the provisions of this chapter.
- (4) Implement and enforce all resolutions, rules and regulations of the board.
- (5) Submit to the board, according to a schedule established by it, periodic reports showing the overall state or condition of the transit system according to established

industry performance standards. Such reports shall be considered public records.

(6) Implement policies established by the board.

§ 1526. Counsel to board.

The board shall appoint a counsel to the board who shall be an attorney at law admitted to practice before the Supreme Court of Pennsylvania and who shall be appointed by the board to serve at its discretion. The board shall pay to the counsel to the board reasonable compensation for services actually performed. The counsel to the board shall advise the board in all matters relating to its official duties and shall, notwithstanding any other provision of this chapter, approve all matters relating to bonds and indentures.

§ 1527. Legal division and general counsel.

(a) Legal division.--The chief operations officer shall establish a legal division which shall be administered by a full-time general counsel who shall be an attorney at law admitted to practice before the Supreme Court of Pennsylvania and who shall be appointed by the chief operations officer to serve at his pleasure. The legal division, in addition to the general counsel, shall consist of such attorneys and other employees as the general counsel from time to time shall determine to be necessary and who shall be appointed by the chief operations officer. Except as provided in section 1526 (relating to counsel to the board), the legal division shall administer the legal affairs of the authority, shall prosecute and defend, settle or compromise all suits or claims for and on behalf of the authority and shall advise the chief operations officer in all matters relating to his official duties.

(b) Other counsel.--The general counsel may from time to time, with the approval of the chief operations officer, retain such other legal counsel on such terms and for such purposes as shall be deemed by the chief operations officer to be necessary or in cases where the needs of the authority would be better served. Nothing in this section or section 1526 shall be construed so as to limit the power of the legal or other officers of the counties and municipalities comprising the metropolitan area to act in behalf of the chief operations officer in their official capacities when requested so to do by the chief operations officer.

§ 1528. Other employees.

(a) Collective bargaining.--The board, acting through the chief operations officer, shall have the right to bargain collectively and enter into agreements with labor organizations. The board, acting through the chief operations officer, shall recognize and be bound by existing labor union agreements where they exist between labor unions and transportation companies that are acquired, purchased, condemned or leased by the board. It shall designate their duties and require bonds of such of them as the board may designate.

(b) Compensation.--The compensation of the chief operations officer, counsel to the board, secretary and controller shall be fixed by the board. For all other officers, employees, attorneys, engineers, consultants and agents, the board shall establish salary scales. The chief operations officer shall establish within such salary scales compensation levels based upon written appraisals of performance for all employees under his control. The secretary and the controller shall establish within such salary scales compensation levels based upon written appraisals of performance for all employees in their respective offices.

(c) Other offices or employment.--With the exception of the secretary, any of the foregoing may be appointed, retained, hired or employed on a part-time basis and may be engaged in other business or professional activities. No salaried executive officer of the authority shall hold any other office in or be an employee of the Federal, State or any county or municipal government except an office or employment without compensation or an office in the Reserve Component of the United States Armed Forces or National Guard.

§ 1529. Personnel matters.

(a) Classification of position.--The chief operations officer shall classify all the offices, positions and grades of regular employment required, excepting that of the chairman of the board, secretary, counsel to the board and controller, with reference to the duties thereof and the compensation fixed therefor and adopt rules governing appointments to any of such offices or positions on the basis of merit and efficiency. No discrimination shall be made in any appointment or promotion because of age, sex, race, creed, color or political or religious affiliations. No officer or employee shall be discharged or demoted except for just cause.

(b) Change in work force.--The chief operations officer may abolish any office or reduce the force of employees for lack of work or lack of funds, but, in so doing, the officer or employee with the shortest service record in the class and grade to which he belongs shall be first released from service and shall be reinstated in order of seniority, when additional force of employees is required. Seniority shall be considered a working condition. No qualified person shall be laid off if a transfer to another job, division or department within the transportation system can be arranged.

(c) Pension system.--There shall be established and maintained by the authority a pensions and retirement system to provide for payments when due under such system or as modified from time to time by resolution of the board. For this purpose, both the board and the participating employees shall make such periodic payments to the established system as may be determined by such resolution. The board may provide for participation by its employees in the Social Security program or, in lieu of Social Security payments required to be paid by private corporations engaged in similar activity, shall make payments into such established system at least equal in amount to the amount so required to be paid by such private corporations or make such other arrangements as will accomplish the same purpose. Provisions shall be made by the board for all officers and employees of the authority appointed pursuant to this chapter to become, subject to reasonable rules and regulations, members and beneficiaries of the pensions and retirement system, with uniform rights, privileges, obligations and status as to the class in which such officers and employees belong. Members and beneficiaries of any pensions or retirement system established by a transportation system acquired by the authority shall continue to have rights, privileges, benefits, obligations and status with respect to such previously established system. To achieve the purposes set forth in this subsection, the board shall make appropriate rules and regulations and from time to time shall obtain competent actuarial advice.

§ 1530. Transfers of facilities or things of value to any authority.

Any county, municipality, school district, corporation or person, or group may and they are hereby authorized to sell,

lease, lend, grant, convey, transfer or pay over to any authority, with or without consideration, any project or any part or parts thereof or any interest in real or personal property or any funds available for building construction or improvement purposes, including the proceeds of bonds previously or hereafter issued for building construction or improvement purposes, or any money or thing of value, including services, which may be used by the authority in the construction, acquisition, improvement, maintenance or operation of any project or for any other of its corporate purposes, any other law to the contrary notwithstanding.

§ 1531. Compacts to finance operations and particular projects.

(a) General rule.--The counties and municipalities in any metropolitan area shall enter into a compact or compacts among themselves or with the authority to provide for meeting the authority's capital or operating budget by appropriations, annual or otherwise, of such sums and in such proportions as may be agreed upon in such compact to be paid by each signatory party thereto. The obligation incurred thereby shall be for the term as set forth in the compact without regard to the provisions of any law, ordinance or regulation to the contrary and shall constitute a commitment and obligation, binding and absolute on the part of each such signatory party, to appropriate and pay over the necessary funds in accordance therewith. The operating budget shall include all sums of money necessary for the formation and organization of any authority and all items of operating expenses in connection with the authority, as well as necessary funds for planning and research appropriate and consistent with the purport of this chapter and any compact entered into pursuant to this chapter.

(b) Financing of particular projects.--A compact may also provide for the financing of a particular mass transportation project in such manner as shall be provided for in the compact.

(c) Commitment of party.--Whenever a party signatory to such a compact thereby expresses its approval of the budget for financing a particular project, this shall then constitute a commitment and obligation, binding and absolute, on the part of such party signatory to appropriate the necessary funds in accordance therewith.

(d) Commitment of county or municipality.--No commitment or obligation involving the payment of moneys to or on behalf of such authority shall exist in any instance on the part of any county or other municipality within the metropolitan area unless and until such commitment or obligation shall first have been expressly and lawfully undertaken and assumed by such county or municipality.

§ 1532. Contracts and procurement and sale of property.

(a) Competitive bids.--Except in the purchase of unique articles or articles which, for any other reason, cannot be obtained in the open market and except as hereinafter provided, competitive bids shall be secured before any purchase or sale, by contract or otherwise, is made or before any contract is awarded for construction, alterations, supplies, equipment, repairs or maintenance or for rendering any services to the authority other than professional services; and the purchase shall be made from or the contract shall be awarded to the lowest responsible bidder or a sale to the highest responsible bidder. No purchase of any unique article or other articles which cannot be obtained in the open market shall be made without express approval of the board where the amount involved is in excess of \$10,000.

(b) Procedure.--All purchases and sales in excess of \$10,000 shall be awarded after advertising in a local newspaper of general circulation in the metropolitan area at least two weeks prior to the bid opening. Bids shall be publicly opened and read aloud at a date, time and place designated in the invitation to bid. Invitations to bid shall be sent at least one week prior to the bid opening to at least three potential bidders who are qualified technically and financially to submit bids, or, in lieu thereof, a memorandum shall be kept on file showing that less than three potential bidders so qualified exist in the market area within which it is practicable to obtain bids.

(c) Qualified vendors.--Written price quotations from at least three qualified and responsible vendors shall be obtained for all purchases and sales under \$10,000 and over \$4,000, or, in lieu thereof, a memorandum, approved by the chief operations officer, shall be kept on file showing that less than three vendors so qualified exist in the market area within which it is practicable to obtain quotations, except as hereinafter provided.

(d) Small purchases.--Purchases or sales under \$4,000 may be negotiated with or without competitive bidding under sound procurement procedures as promulgated and established by the chief operations officer.

(e) Waiver.--Competitive bidding requirements may be waived if it is determined by the chief operations officer, or in such other manner as the board may, by regulation, provide, that an emergency directly and immediately affecting customer service or public health, safety or welfare requires immediate delivery of supplies, materials, equipment or services. A record of circumstances explaining the emergency shall be submitted to the board at its next regular meeting and thereafter kept on file.

(f) Concessions.--All concessions granted by the authority for the sale of products or the rendition of services for a consideration on authority property shall be awarded only pursuant to written specifications after competitive bidding and to the highest responsible bidder in a manner similar to that required by subsection (b) relating to contracts for procurement involving an expenditure of more than \$10,000. This requirement for competitive bidding shall not apply to any concession which has been granted by a transportation system acquired by the authority and which by the terms of the agreement granting it will terminate within one year from date of the acquisition of the transportation system by the authority, nor to any concession involving the estimated receipt by the authority of less than \$4,000 over the period for which the concession is granted.

(g) Sale or lease of real property.--Contracts for the sale or lease of real property owned by the authority shall be awarded after competitive bidding as shown in subsection (b) except where contract is entered into with the Commonwealth or any political subdivision or agency or instrumentality thereof or with the United States Government or any agency or instrumentality thereof.

(h) Property management contracts.--Contracts for the management of authority-owned property, such as bus routes or subway systems, may be negotiated and awarded by an affirmative vote of one more than a majority of all members of the board.

(i) Avoidance prohibited.--Requirements shall not be split into parts for the purpose of avoiding the provisions of this section.

(j) Rejection of bids.--The authority shall have the right to reject any or all bids or parts of any or all bids, whenever, in the opinion of the board, such rejection is necessary for the protection of the interests of the authority. In every such case, a record shall be made setting forth the reason for such rejection, which record shall thereafter be kept on file.

(k) Rules and regulations.--The board shall adopt rules and regulations to effectuate the provisions of this section.
§ 1533. Conflict of interest.

Every member of the board and every employee of the authority who knowingly has any interest, direct or indirect, in any contract to which the authority is, or is about to become, a party, or in any other business of the authority, or in any firm or corporation doing business with the authority, shall make full disclosure of such interest to the board. Failure to disclose such an interest shall constitute misconduct, for which a board member may be removed by the appointing power, or an employee may be discharged or otherwise disciplined at the discretion of the board. Whenever, in the opinion of the board, any such interest on the part of any board member or any employee shall constitute a conflict of interest detrimental to the authority, the board shall require such action or abstention by such board member or employee as it may deem necessary or desirable to protect the interest of the authority. The board shall promulgate such rules and regulations as may be necessary to effectuate the purposes of this section.
§ 1534. Fiscal provisions.

(a) Fiscal year and budget.--The board shall establish a fiscal operating year. At least 90 days prior to the beginning of the first full fiscal year after the creation of the authority and, annually thereafter, the board shall cause to be prepared and submitted to it a tentative operating budget and a tentative capital budget for the ensuing fiscal year. The tentative budgets shall be considered by the board and, subject to any revision and amendments as may be determined, shall be adopted at least 30 days prior to the first day of the ensuing fiscal year as the budgets for that year. The board shall establish such rules as are necessary for proper observance of the budgets. Simultaneously with the adoption of the budget, the board shall adopt a tentative capital program covering the ensuing six years.

(b) Procedure.--A public hearing shall be conducted prior to the adoption of the final operating budget and tentative capital program. Notice of such public hearing shall be published in two newspapers of general circulation and a publication specifically designed to reach minorities not fewer than 30 days prior to such hearing.

§ 1535. Financial statements and audit.

(a) Statement.--As soon after the end of each fiscal year as is feasible, the board shall cause to be prepared and printed a report and financial statement of the authority's operations for the previous year and of its assets and liabilities. A reasonably sufficient number of copies of such report shall be printed for distribution to persons interested upon request. A copy of this report shall be filed with the Secretary of the Commonwealth, the county clerk of each county in the metropolitan area and the clerk of each municipality which has granted rights to the authority by ordinance, and a copy of such report shall be addressed to and mailed to the mayor and city council or the governing body of such municipality. The board from time to time shall mail to the persons and offices specified in the preceding sentence copies of such interim

financial reports as may be prepared by the authority, copies of all bylaws, rules and regulations and amendments thereto and copies of the annual financial budgets.

(b) Audit.--The board shall appoint in due time each year a firm of independent certified public accountants as auditors who shall examine the books, records and accounts of the authority for the purpose of auditing and reporting upon its financial statement for such year. The report of such auditors shall be appended to such financial statement.

§ 1536. Transfer of records by Pennsylvania Public Utility Commission.

In case the authority acquires the plant, equipment, property and rights in property of any public utility used or useful in the operation of a transportation system, the Pennsylvania Public Utility Commission shall transfer and deliver to the board, upon its demand in writing, all books, papers and records in control of said commission affecting such public utility exclusively.

§ 1537. Depreciation reserve.

(a) General rule.--There shall be established and maintained a reserve for depreciation reasonably estimated to be adequate to care for the retirement (due to exhaustion, wear and tear and obsolescence) of property at cost. The amount necessary to be credited to the reserve each year for such purposes shall be charged to operations.

(b) Reserve for debt retirement, etc.--If, by any covenant of the authority, there is required to be established out of revenues any reserve for debt retirement or property replacements or additions, the amount of the annual provision credited to the reserve as required by this section shall be considered to have been made, to the extent needed, for or toward the corresponding annual requirement of any such covenant.

§ 1538. Damage Reserve Fund.

(a) Establishment and purpose.--The board shall withdraw from the gross receipts of the authority and charge to operating expenses such an amount of money as, in the opinion of the board, shall be sufficient to provide for the adjustment, defense and satisfaction of all suits, claims, demands, rights and causes of action, and the payment and satisfaction of all judgments entered against the authority for damage caused by injury to or death of any person and for damage to property resulting from the construction, maintenance and operation of the transportation system, and the board shall deposit such moneys in a fund to be known and designated as the Damage Reserve Fund. The board shall use the moneys in the Damage Reserve Fund to pay all expenses and costs arising from the adjustment, defense and satisfaction of all suits, claims, demands, rights and causes of action, and the payment and satisfaction of all judgments entered against the authority for damages caused by injury to or death of any person and for damage to property resulting from the construction, maintenance and operation of the transportation system.

(b) Insurance coverage.--At any time and from time to time, the board may obtain and maintain insurance coverage or protection, partially or wholly, insuring or indemnifying the authority against loss or liability on account of injury to or death of any person and for damage to property resulting from the construction, maintenance and operation of the transportation system. The cost of obtaining and maintaining such insurance shall be paid out of the moneys in the Damage

Reserve Fund. All moneys received from such insurance coverage or protection shall be paid into the Damage Reserve Fund.

§ 1539. Special funds.

(a) Creation.--The authority, pursuant to resolutions adopted from time to time by the board, may establish and create such other and additional special funds as may be found desirable by the board and in and by such resolutions may provide for payments into all special funds from specified sources with such preferences and priorities as may be deemed advisable and may also by any such resolutions provide for the custody, disbursement and application of any moneys in any such special funds consistent with the provisions of this chapter and consistent with good accounting practice with due reference to the uniform system of accounts for transportation operations maintained by either the Interstate Commerce Commission or the Pennsylvania Public Utility Commission.

(b) Common accounts.--To the extent practicable, the authority may establish a common cash account and auxiliary short-term investment portfolio as a depository for all cash of the general or special funds. The interest of each fund therein shall be clearly recorded and preserved at all times. There shall not be any commingling of assets where prohibited by any covenant of the authority.

(c) Reserve funds.--Nothing contained in this chapter shall be construed as to prevent the prudent accumulation of reserve funds by the authority.

§ 1540. Investigations and subpoenas.

(a) Procedure.--The board may investigate all means of transportation and the management thereof, the enforcement of its resolutions, rules and regulations and the action, conduct and efficiency of all officers, agents and employees of the authority. In the conduct of these investigations, the board may hold public hearings on its own motion and shall do so on complaint or petition of any municipality in the metropolitan area. Each member of the board shall have power to administer oaths, and the secretary, by order of the board, shall issue subpoenas to secure the attendance and testimony of witnesses and the production of books and papers relevant to such investigations and to any hearing before the board or any member thereof, or any officers' committee or employees' committee, appointed by the board to hear any complaint of an officer or employee who has been discharged or demoted.

(b) Enforcement.--Any court of record of the Commonwealth, or any judge thereof, either in term time or vacation, upon application of the board or any member thereof may, in his discretion, compel the attendance of witnesses, the production of books and papers, and giving of testimony before the board or before any member thereof, or any officers' committee or employees' committee, appointed by the board by attachment for contempt or otherwise, in the same manner as the production of evidence may be compelled before said court.

§ 1541. Aid from Federal Government.

In addition to the powers conferred upon any authority by other provisions of this chapter, an authority is empowered to borrow money or accept money or accept grants or other financial assistance from the Federal Government for or in aid of its operations. It is the purpose and intent of this chapter to authorize the authority, and the authority is so authorized, to do any and all things necessary or desirable to secure the financial aid or cooperation of the Federal Government in any of its operations. Such things may include, without limiting the generality of the foregoing, the power to change or revise

rates, fares and charges, to make relocation payments to families, businesses and nonprofit organizations, to provide an areawide transportation plan or program for the development of a comprehensive and coordinated mass transportation system for the metropolitan area, to carry out research, development and demonstration projects, to provide a share of the cost of any project, all as may be required by any Federal law or by the requirements of any Federal agency authorized to administer any Federal program of aid to any mass transportation program. § 1542. Exemption from taxation.

The effectuation of the authorized purposes of any authority created under this chapter shall and will be, in all respects, for the benefit of the people of this Commonwealth, for the increase of their commerce and prosperity and for the improvement of their health and living conditions, and, since such authority will be performing essential governmental functions in effectuating such purposes, it shall not be required to pay any property taxes or assessments of any kind or nature whatsoever, now in existence or to be enacted in the future, whether imposed by the Commonwealth or by any political subdivision thereof, or by any other taxing authority, and the bonds issued by such authority, their transfer and the income therefrom, including any profits made on the sale thereof, shall at all times be free from taxation within this Commonwealth. § 1543. Limitation of powers.

The Commonwealth does hereby pledge to and agree with any person, firm or corporation or Federal agency subscribing to or acquiring the bonds to be issued by any authority for the construction, extension, improvement or enlargement of any project or part thereof that the Commonwealth will not limit or alter the rights hereby vested in such authority until all bonds at any time issued, together with the interest thereon, are fully met and discharged. The Commonwealth does further pledge to and agree with the United States and any other Federal agency that, in the event that any Federal agency shall construct or contribute any funds for the construction, extension, improvement or enlargement of any project or any portion thereof, the Commonwealth will not alter or limit the rights and powers of the authority in any manner which would be inconsistent with the continued maintenance and operation of the project, or the improvement thereof, or which would be inconsistent with the due performance of any agreements between the authority and any such Federal agency, and the authority shall continue to have and may exercise all powers herein granted so long as the same shall be necessary or desirable for the carrying out of the purposes of this chapter and the purposes of the United States in the construction or improvement or enlargement of the project or such portion thereof.

PART IV HIGHWAYS

CHAPTER 81 PENNSYLVANIA TURNPIKE

Subchapter

- A. Preliminary Provisions
- B. Turnpike Extensions and Improvements

SUBCHAPTER A PRELIMINARY PROVISIONS

Sec.

8101. Definitions.

§ 8101. Definitions.

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

"Commission." The Pennsylvania Turnpike Commission.

SUBCHAPTER B
TURNPIKE EXTENSIONS AND IMPROVEMENTS

Sec.

8111. Improvement and extension authorizations.

8112. Subsequent extension authorizations.

8113. Additional subsequent extension authorizations.

8114. Further subsequent authorizations.

8115. Conversion to toll roads.

8116. Turnpike system.

§ 8111. Improvement and extension authorizations.

In order to facilitate vehicular traffic within and across this Commonwealth, the commission is hereby authorized and empowered to construct, operate and maintain turnpike extensions and turnpike improvements at such specific locations and according to such schedule as shall be deemed feasible and approved by the commission, together with connecting roads, storm water management systems, tunnels and bridges, subject to the waiver of the Federal toll prohibition provisions where applicable, as follows:

(1) Widen turnpike to six lanes between the Northeast Extension and the Delaware River Interchange.

(2) Construct turnpike interchange with Interstate Route 95 in Bucks County.

(3) Construct turnpike interchange with Interstate Route 476 in Montgomery County.

(4) Construct turnpike interchange with Keyser Avenue in Lackawanna County.

(5) Construct extensions to the existing turnpike from a point westerly of existing Interchange 2 extending northerly to a connection with the existing interchange between U.S. Route 422 and proposed State Route 60 in Lawrence County and extending southerly to a connection with existing State Route 60 in Beaver County at or near State Route 51.

(6) Construct an extension to the turnpike from a point at or near Interchange 8 in Westmoreland County extending northerly to an interchange with State Route 66 northwest of Greensburg and continuing northerly to an interchange with U.S. Route 22 south of Delmont.

(7) Construct an additional Lehigh Tunnel on the Northeast Extension of the turnpike.

(8) Construct a private turnpike interchange directly connected to the New Cumberland Army Depot. The commission may commence construction of the private turnpike interchange notwithstanding the construction schedule established by this section.

(9) Construct an interchange on the Northeast Extension with State Route 903 in Carbon County. The commission may commence construction of this interchange notwithstanding the construction schedule established by this section.

§ 8112. Subsequent extension authorizations.

The commission is also hereby authorized and empowered to construct, operate and maintain further extensions and improvements of the turnpike at such specific locations and according to such schedules as shall be deemed feasible and which shall be approved by the commission, subject to the waiver of the Federal toll prohibition provisions where applicable, as follows:

(1) From an interchange with Interstate Route 70 between existing interchanges at Lover and Speers extending northerly to an interchange with Interstate Route 376 in Pittsburgh extending northwesterly along the Washington/Allegheny Line toward the Midfield Terminal, Greater Pittsburgh Airport, Southern Beltway, Extension of the Findlay Connector along Interstate 79, and also extending southerly connecting with the existing interchange between U.S. Route 40 and the Mon Valley Expressway (L.R.1125).

(2) From a point at or near the existing interchange between U.S. Route 40 and the Mon Valley Expressway (L.R.1125) in Fayette County southeasterly along U.S. Route 40 to Uniontown and continuing southerly along Pa. Route 857 to the West Virginia border.

(3) From an interchange with the turnpike at or near Interchange 10 extending northerly generally following and coincident where feasible with existing U.S. Route 219 to an interchange with Interstate Route 80 at or near Interchange 16.

(4) Construction of an interchange for access to the International Distribution Center at the Wilkes-Barre-Scranton International Airport in Luzerne County on the Northeast Extension of the Pennsylvania Turnpike System.

§ 8113. Additional subsequent extension authorizations.

Upon substantial completion of the turnpike extensions and improvements set forth in sections 8111 (relating to improvement and extension authorizations) and 8112 (relating to subsequent extension authorizations), the commission is hereby authorized and empowered to construct, operate and maintain further extensions and improvements of the turnpike at such specific locations and according to such schedules as shall be deemed feasible and which shall be approved by the commission, subject to the waiver of the Federal toll prohibition provisions where applicable, as follows:

(1) From a point at or near Turnpike Interchange 10 southerly generally along U.S. Route 219 to the Maryland border.

(2) From a point at or near Interstate Route 80 Interchange 16 northerly generally along U.S. Route 219 to a connection with the existing U.S. Route 219 Expressway south of Bradford in McKean County.

(3) Construct from a point at or near Interstate Route 80 Interchange 23 at Milesburg southwesterly generally along U.S. Route 220 to a connection with the existing U.S. Route 220 Expressway south of Bald Eagle.

§ 8114. Further subsequent authorizations.

Upon completion of the turnpike extensions and improvements set forth in sections 8111 (relating to improvement and extension authorizations), 8112 (relating to subsequent extension authorizations) and 8113 (relating to additional subsequent extension authorizations), the commission is hereby authorized and empowered to construct, operate and maintain further extensions and improvements of the turnpike at such specific locations and according to such schedules as shall be

deemed feasible and which shall be approved by the commission, subject to the waiver of the Federal toll prohibition provisions where applicable, as follows:

(1) From a point at or near the intersection of State Route 65 and Crows Run Road in Beaver County, in a southeasterly direction to a point at or near the Perry Highway Interchange of the Pennsylvania Turnpike.

(2) From a point at or near Exit 5 of the turnpike northerly to Brookville, Jefferson County, to a point at the intersection with Interstate Route 80.

(3) From a point at or near the Pennsylvania Turnpike System into various areas of Berks County in order to complete the construction of the inner loop system and outer loop system of highways surrounding the City of Reading and to complete the missing links on Routes 222 to 422 to 1035.

(4) From a point at or near the intersections of Interstate Route 70, Interstate Route 76 and T.R.119 in the Borough of Youngwood, Westmoreland County, in a northerly direction along T.R.119 and T.R.66 to the intersection of T.R.22 with a bypass around the City of Greensburg, Westmoreland County; thence north on T.R.66 to T.R.356; thence north on T.R.356 to the intersection with T.R.28.

(5) From a point at or near the intersection of T.R.66 and T.R.22 in Salem Township, Westmoreland County; thence in a westerly direction paralleling T.R.22 to Exit 6 of Interstate 76.

§ 8115. Conversion to toll roads.

In order to facilitate vehicular traffic within and across this Commonwealth, and after completion of the turnpike extensions and improvements authorized in section 8111 (relating to improvement and extension authorizations), and subject to prior legislative approval by the General Assembly and the United States Congress, the commission is hereby authorized and empowered to convert to toll roads such portions of Pennsylvania's interstate highway system as may be required in order to facilitate the completion of the turnpike extensions and improvements authorized in sections 8112 (relating to subsequent extension authorizations), 8113 (relating to additional subsequent extension authorizations) and 8114 (relating to further subsequent authorizations) and to operate and maintain such converted interstates as toll roads upon the approval by the Congress of the United States of America and the General Assembly of this Commonwealth of legislation expressly permitting the conversion of such interstates to toll roads. Such conversions shall take place at a time and manner set forth in the plan for the conversion prepared by the Pennsylvania Department of Transportation. The provisions authorizing the commission to construct, operate and maintain the turnpike routes in sections 8111, 8112 and 8113 shall be subject to:

(1) the prior passage by the Congress of the United States and the General Assembly of this Commonwealth of legislation permitting the conversion of certain interstates to toll roads; or

(2) the availability of such other funds as might become available in amounts that would be sufficient to fund to completion any of the individual turnpike extensions and improvements set forth in sections 8112, 8113 and 8114 so long as no turnpike extension or improvement authorized by section 8114 is undertaken until after all the turnpike extensions authorized by section 8113 are completed and no turnpike extension authorized by section 8113 is undertaken

until after all the turnpike extensions and improvements authorized by section 8112 are completed. The commission is authorized to use Federal funds which may be available for toll roads only pursuant to the approval of the Secretary of Transportation and only pursuant to the authority granted in section 19 of the act of September 30, 1985 (P.L.240, No.61), known as the Turnpike Organization, Extension and Toll Road Conversion Act.

§ 8116. Turnpike system.

The turnpikes and the future toll road conversions authorized by this chapter are hereby or shall be made part of the Pennsylvania Turnpike System, as provided in the act of August 14, 1951 (P.L.1232, No.282), referred to as the Pennsylvania Turnpike System Financing Act.

Section 2. Section 102 of Title 75 is amended by adding a definition to read:

§ 102. Definitions.

Subject to additional definitions contained in subsequent provisions of this title which are applicable to specific provisions of this title, the following words and phrases when used in this title shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

* * *

"Farm equipment." A vehicle designed or used exclusively for agricultural operations and only incidentally operated or moved upon highways, including, but not limited to, farm tractors, choppers and balers.

* * *

Section 3. Section 1102 of Title 75 is amended by adding a paragraph to read:

§ 1102. Vehicles not requiring certificate of title.

No certificate of title is required for:

* * *

(11) A tow dolly.

Section 4. Section 1113(a) of Title 75 is amended to read:
§ 1113. Transfer to or from manufacturer or dealer.

(a) Transfer to manufacturer or dealer.--When the purchaser or transferee of a vehicle is a manufacturer or registered dealer who holds the vehicle for resale, a certificate of title need not be applied for as provided for in section 1111 (relating to transfer of ownership of vehicle) [for a period of six months from the date of the assignment], but the transferee shall, within seven days from the date of assignment of the certificate of title to the manufacturer or dealer, forward to the department, upon a form prescribed and furnished by the department, notification of the acquisition of the vehicle. Notification as authorized in this section may not be used in excess of three consecutive transactions after which time an application shall be made for a certificate of title. Notwithstanding the foregoing, a transferee **of a motor vehicle** shall apply for a certificate of title no later than six months from the date of the assignment.

* * *

Section 5. Section 1302 of Title 75 is amended by adding a paragraph to read:

§ 1302. Vehicles exempt from registration.

The following types of vehicles are exempt from registration:

* * *

(19) A tow dolly.

Section 6. Section 1335(c) of Title 75 is amended and the section is amended by adding a subsection to read:

§ 1335. Registration plates for manufacturers and dealers.

* * *

(a.2) **Exemption.--The following types of dealers and manufacturers are exempt from posting of the bond specified in subsection (a):**

- (1) **Farm equipment dealers.**
- (2) **Mobile home dealers and manufacturers.**
- (3) **Modular housing manufacturers.**

* * *

(c) **Exemption from individual registration.--Vehicles displaying dealer registration plates may be operated on the highway without registering each vehicle individually, provided that the plates are used in accordance with the limitations of [section] sections 1336 (relating to use of dealer registration plates) and 1336.1 (relating to use of multipurpose dealer registration plates).**

* * *

Section 7. Section 1336 of Title 75 is amended to read:
§ 1336. Use of dealer registration plates.

(a) **General rule.--**

(1) **Dealer registration plates may be used on any vehicle owned or in possession of a dealer or manufacturer, but only if the vehicle is being held for sale[, is]. The vehicle shall be unladen except for safety equipment, jumper cables and similar items [or is being] and used for [any] either of the following purposes:**

[(1) For] **(i) for the personal use of the dealer or members of his immediate family, or when the dealer is a corporation, for the personal use of the officers or members of their immediate families, or for the personal use of the regular employees of the dealer[.]; or**

(ii) for transit to or from a location from which it is purchased or offered for sale or inspected.

(2) **Dealer registration plates may be used on any laden or unladen vehicle owned or in possession of a dealer or manufacturer, but only if the vehicle is being held for sale and is being used for any of the following purposes:**

[(2)] **(i) For teaching students enrolled in an approved driver education course how to operate a vehicle and for the new driver to take an examination for a driver's license.**

[(3)] **(ii) For testing vehicles in the possession of the dealer or manufacturer within a radius of 25 miles of the place of business of the dealer or manufacturer.**

[(4)] **(iii) For demonstrating vehicles in the possession of the dealer or manufacturer at no cost to a prospective purchaser.**

[(5)] **(iv) For loaning to customers whose vehicles are being repaired.**

[(6)] **(v) For loaning to prospective purchasers for a period not exceeding five days for the purpose of demonstrating vehicles.**

(b) **Records.--Records shall be kept by the dealer in a manner prescribed by the department indicating which vehicles have been used as provided in subsection (a)(2), (5) and (6). The records shall be open to inspection by representatives of the department and police officers.**

Section 8. Title 75 is amended by adding sections to read:
§ 1336.1. **Use of multipurpose dealer registration plates.**

Subject to the requirement that the vehicles on which multipurpose dealer registration plates are used, conform to or are lower than the weight limits for which the plates were purchased, the multipurpose dealer registration plates may be

used on vehicles owned by or in possession of a dealer or manufacturer. All vehicles utilizing the multipurpose dealer registration plate shall be titled in the name of the business or family member, and sales and use tax must be paid.

§ 1336.2. Farm equipment dealer registration plates.

Upon submission of an application accompanied by the appropriate fee and information on a farm equipment dealer that a truck or truck tractor with a registered gross weight of 11,001 pounds or over is used solely in the business of the dealer, the department shall issue a farm equipment dealer registration plate for the vehicle.

§ 1344.1. Use of farm equipment dealer registration plates.

A truck or truck tractor bearing farm equipment dealer registration plates shall be used solely in the business of the dealer and operated exclusively by the dealership or its employees only when the vehicle is used:

(1) for delivering farm equipment to a farm for the purpose of sale, demonstration, loaning to customers whose farm equipment is being repaired or loaning to prospective purchasers;

(2) for pickup of new farm equipment from the manufacturer or distributor;

(3) for pickup of used farm equipment for the purpose of resale; or

(4) for inspection, repair or servicing the vehicle.

Section 9. Section 1926 of Title 75 is amended by adding a subsection to read:

§ 1926. Dealers and miscellaneous motor vehicle business.

* * *

(d) Multipurpose dealer registration plate.--The annual fee for a multipurpose dealer registration plate shall be the appropriate fee specified in section 1913 (relating to motor homes) for motor homes, the appropriate fee specified in section 1916 (relating to trucks and truck tractors) for trucks and truck tractors and the appropriate fee specified in section 1920(a) (relating to trailers) for trailers.

Section 10. Title 75 is amended by adding a section to read:

§ 1926.1. Farm equipment vehicle dealers.

The annual fee for registration of a farm equipment dealer truck or truck tractor shall be one-half of the regular fee or \$162, whichever is greater.

Section 11. Sections 2306 and 3102 of Title 75 are amended to read:

§ 2306. Exemptions.

No person who acts solely as either a notary or messenger for motor vehicle forms or a farm equipment dealer, mobile home dealer and manufacturer or modular housing manufacturer shall be bound by the provisions of this chapter.

§ 3102. Obedience to authorized persons directing traffic.

No person shall willfully fail or refuse to comply with any lawful order or direction of any uniformed police officer, sheriff or constable or any appropriately attired person, including an agent or employee of the funeral director during a funeral, authorized to direct, control or regulate traffic.

Section 12. Title 75 is amended by adding a section to read:

§ 3107. Drivers in funeral processions.

(a) General rule.--The driver of a vehicle which is being driven in a funeral procession may:

(1) Park or stand irrespective of the provisions of this part.

(2) Proceed past a red signal indication or stop sign if the lead vehicle in the procession started through the intersection while the signal indicator was green or, in the case of a stop sign, the lead vehicle first came to a complete stop before proceeding through the intersection.

(b) Visual signals required.--The privileges granted by this section shall apply only if each vehicle in the funeral procession displays lighted head lamps and emergency flashers and bears a flag or other insignia designating it as part of a funeral procession.

(c) Right-of-way to emergency vehicles.--This section does not relieve the driver of a vehicle which is being driven in a funeral procession from yielding the right-of-way to an emergency vehicle making use of audible or visual signals, nor from the duty to drive with due regard for the safety of all persons.

Section 13. Sections 3310(c), 7706 and 7712(c) of Title 75 are amended to read:

§ 3310. Following too closely.

* * *

(c) Caravans and motorcades.--Upon any roadway outside of an urban district, motor vehicles being driven in a caravan or motorcade, whether or not towing other vehicles, shall be so operated as to allow sufficient space between each vehicle or combination of vehicles so as to enable any other vehicle to enter and occupy space without danger. This subsection does not apply to funeral processions, **which shall not be interrupted by any vehicle other than an emergency vehicle.**

§ 7706. Restricted receipts fund.

(a) Deposit and use of moneys.--The department shall deposit all moneys received from the registration of snowmobiles and the registration and issuance of certificates of title for ATV's, the sale of snowmobile and ATV registration information, snowmobile and ATV publications and other services provided by the department, and all fees and fines assessed and collected under this chapter in a restricted receipts fund, from which the department shall draw moneys for use in carrying out the registration and the issuance of certificates of title, safety education and enforcement requirements of this chapter as well as the establishment, construction and maintenance of trails and any equipment and supplies necessary to carry out the purposes of this chapter. All moneys in said fund not heretofore paid into the General Fund shall remain in said restricted receipts fund to be used as specified in this chapter and any increases in moneys previously paid to the General Fund shall remain in said restricted receipts fund to be used as specified in this chapter.

(b) Grant-in-aid.--The department shall also, upon written application and subsequent approval, disperse moneys to municipalities, nonprofit snowmobile clubs and organizations for construction, maintenance and rehabilitation of snowmobile trails or any other facilities for the use of snowmobiles, including plans and specifications, engineering surveys and supervision and land acquisition where necessary. The department shall promulgate such rules and regulations it deems necessary for the administration of this subsection.

[(b)] (c) Audit of moneys.--The restricted receipts fund shall be audited every two years.

§ 7712. Registration of snowmobiles and registration and issuance of certificates of title for ATV's.

* * *

(c) Fees.--Fees for registration of snowmobiles and registration and issuance of certificates of title for ATV's to be collected by the department under this chapter are as follows:

(1) Each individual resident registration for two years, [\$10] **\$20** for a snowmobile and \$20 for an ATV.

(2) Each individual nonresident registration for two years, [\$10] **\$20** for a snowmobile and \$20 for an ATV.

(3) Each dealer registration for one year, \$25.

(4) Replacement of a lost, mutilated or destroyed certificate or decal, \$1.

(5) Transfers of snowmobile and ATV registrations as described in section 7713 (relating to certificates of registration and decals), \$3.

(6) Certificate of title for an ATV, \$15.

* * *

Section 14. Title 75 is amended by adding a section to read:
§ 7717. Snowmobile Trail Advisory Committee.

(a) Establishment.--There is hereby established under the jurisdiction of the department a board known as the Snowmobile Trail Advisory Committee.

(b) Composition.--The Snowmobile Trail Advisory Committee shall be appointed within three months of the effective date of this section and biannually thereafter. The membership shall be composed of three members from the Pennsylvania State Snowmobile Association, one of whom shall have experience in trail creation on public land, one of whom shall have experience in trail creation on private land and one of whom shall be a member at large. In addition, one member shall be appointed from each of the following organizations: Pennsylvania Travel Council, Pennsylvania State Association of Township Supervisors, Pennsylvania State Association of Township Commissioners, Pennsylvania State Association of Boroughs, Pennsylvania State Association of County Commissioners, Pennsylvania Association of Realtors, Pennsylvania Landowners Association, Pennsylvania Vacation Land Developers Association, Department of Commerce and Department of Community Affairs. The name of the representatives shall be submitted to the secretary within ten days of the receipt of the request for them.

(c) Responsibilities.--The committee shall review existing and proposed regulations, standards and procedures for all trail acquisition, construction, development and maintenance. The committee may also make recommendations on trail sites, trail site acquisition and the allocation of fees collected pursuant to this chapter regarding acquisition, construction and maintenance of trails for snowmobile use.

(d) Advisory committee actions.--The recommendations of the advisory committee shall be submitted to the secretary who shall give due consideration to them.

Section 15. Section 9502(a) of Title 75 is amended to read:
§ 9502. Imposition of tax.

(a) General rule.--

(1) Every oil company incorporated or organized now or hereafter by or under any law of this Commonwealth, or of any other state, territory or by the United States or any foreign government or dependency, and doing business in this Commonwealth, shall pay an "oil company franchise tax for highway maintenance and construction" which shall be an excise tax of 60 mills upon each dollar of its petroleum revenues for the privilege of exercising its corporate franchise or of doing business, or of employing capital, or

of owning or leasing property in this Commonwealth in a corporate or organized capacity, or of maintaining an office in this Commonwealth, or of having employees in this Commonwealth, for all or any part of any calendar year.

(2) An additional 55 mills is hereby imposed on each dollar of petroleum revenues the proceeds of which shall be distributed as follows:

(i) Forty-two percent to county maintenance districts for highway maintenance. This allocation shall be made according to the formula provided for in section 9102(b)(2) (relating to distribution of State highway maintenance funds). This allocation shall be made in addition to and not a replacement of amounts normally distributed to county maintenance districts under section 9102.

(ii) Seventeen percent for highway capital projects.

(iii) Thirteen percent for bridges.

(iv) Two percent for bridges identified as county or forestry bridges.

(v) Twelve percent for local roads pursuant to section 9511(c) (relating to basic allocation to municipalities).

(vi) Fourteen percent for toll roads designated pursuant to the act of September 30, 1985 (P.L.240, No.61), known as the Turnpike Organization, Extension and Toll Road Conversion Act.

* * *

Section 16. The funds which shall be distributed pursuant to 74 Pa.C.S. § 1303 shall be those funds appropriated to the Department of Transportation under section 222 of the act of August 4, 1991 (P.L.484, No.7A), known as the General Appropriation Act of 1991, described as follows:

(1) The entire sum appropriated "for urban mass transportation assistance for grants to local transportation organizations to be used only for purchase of service projects, advertising and promotion programs."

(2) Not more than \$2,335,000 of the sum appropriated "for rural and intercity transportation: for small urban area purchase of service grants and operating subsidies and demonstration projects for passenger rail and bus service."

Section 17. (a) During the 1991-1992 fiscal year, local transportation organizations and transportation companies may utilize moneys distributed pursuant to 74 Pa.C.S. § 1310 for asset maintenance costs in an amount which would not exceed the amounts permitted by 74 Pa.C.S. § 1311(e), if funding for asset maintenance costs had been provided pursuant to 74 Pa.C.S. § 1310 for the entire fiscal year.

(b) The department shall make no distributions to Class 4 transit entities under 74 Pa.C.S. § 1303 in any fiscal year in which the General Assembly has appropriated less than \$242,022,000 for the purposes of 74 Pa.C.S. § 1303, and any funds not distributed to Class 4 transit entities under this provision in any such fiscal year shall be distributed as otherwise provided in 74 Pa.C.S. § 1303(c).

Section 18. (a) The act of January 22, 1968 (P.L.42, No.8), known as the Pennsylvania Urban Mass Transportation Law, is repealed.

(b) Section 3 of the act of September 30, 1985 (P.L.240, No.61), known as the Turnpike Organization, Extension and Toll Road Conversion Act, is repealed.

Section 19. This act shall take effect as follows:

(1) 74 Pa.C.S. § 1314(c), (d), (e), (f) and (g) shall take effect October 1, 1991.

(2) The amendment or addition of 75 Pa.C.S. §§ 1335(c), 1336, 1336.1, 1336.2, 1344.1, 1926(d) and 1926.1 shall take effect in 120 days.

(3) 75 Pa.C.S. § 9502(a)(2) shall take effect September 1, 1991.

(4) The remainder of this act shall take effect immediately.

APPROVED--The 5th day of August, A. D. 1991.

ROBERT P. CASEY