
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

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2004

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JUNE 17, 2004

REFERRED TO COMMITTEE ON TRANSPORTATION, JUNE 17, 2004

AN ACT

1 Amending Titles 74 (Transportation) and 75 (Vehicles) of the
2 Pennsylvania Consolidated Statutes, further providing for
3 allocation of additional dedicated funding to public
4 transportation systems; creating a service stabilization and
5 state of good repair program; creating a Major Capital
6 Initiative Program; providing for distribution of
7 supplemental funding; further providing for use of funds
8 distributed; providing for establishment of new formulas for
9 public transportation funding in small urbanized areas and
10 rural areas and for community transit; establishing a new
11 funding mechanism for intercity passenger rail services; and
12 providing for public transportation efforts to raise revenue
13 by alternative means, for cooperative procurement and for
14 passing and overtaking streetcars.

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

17 Section 1. The definitions of "Class 4 transit entity" and
18 "urban common carrier mass transportation" in section 1301 of
19 Title 74 of the Pennsylvania Consolidated Statutes are amended
20 and the section is amended by adding definitions to read:

21 § 1301. Definitions.

22 The following words and phrases when used in this chapter
23 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 * * *

3 "Class 4 transit entity." Any local transportation
4 organization or transportation company which serves a
5 nonurbanized area and, during the 1990-1991 fiscal year,
6 received or was approved to receive funding under the act of
7 February 11, 1976 (P.L.14, No.10), known as the Pennsylvania
8 Rural and Intercity Common Carrier Surface Transportation
9 Assistance Act[.], or which received demonstration funding from
10 the planning, development, research, rural expansion and
11 department-initiated programs in section 1310 (relating to
12 distribution of funding) shares prior to the effective date of
13 this definition and which is recommended for continuation of
14 funding by the Department of Transportation.

15 * * *

16 "Class 5 transit entity." A nonprofit coordinator of the
17 shared-ride lottery program for senior citizens, excluding a
18 nonprofit coordinator operating in a first or second class
19 county. Notwithstanding the foregoing, a nonprofit provider in a
20 first or second class county that operates under a brokerage
21 license issued by the Pennsylvania Public Utility Commission
22 prior to the effective date of this section shall be included.

23 * * *

24 "Public passenger transportation." Transportation within an
25 area that includes a municipality or other built-up place or a
26 nonurbanized area which is appropriate, in the judgment of the
27 Department of Transportation, for a public passenger
28 transportation system to serve commuters or others in the
29 locality, taking into consideration the local patterns and
30 trends of urban or rural growth, by bus or rail or other

1 conveyance, either publicly or privately owned, serving the
2 general public. The term does not include exclusive ride,
3 charter, group and party and sightseeing service, nonpublic
4 transportation, school bus and limousine services.

5 * * *

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

15 * * *

16 Section 2. Sections 1302, 1303 and 1310 of Title 74 are
17 amended to read:

18 § 1302. Program authorizations.

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

23 (1) To undertake and to provide financial support for
24 research, by contract or otherwise, concerning [urban common
25 carrier mass] public passenger transportation.

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

30 (i) For the purpose of studies, analysis, planning

1 and development of programs for [urban common carrier
2 mass] public passenger transportation service and
3 facilities, and for the purpose of activities related to
4 the planning, engineering and designing of specific
5 projects which are a part of a comprehensive program,
6 including, but not limited to, activities such as studies
7 related to management, operations, capital requirements
8 and economic feasibility, to the preparation of
9 engineering and architectural surveys, plans and
10 specifications and to other similar or related activities
11 preliminary to and in preparation for the construction,
12 acquisition or improved operation of [urban common
13 carrier mass] public passenger transportation systems,
14 facilities and equipment. State funding under this
15 subparagraph shall not exceed five-sixths of the non-
16 Federal share of the project costs.

17 (ii) To provide for research, development and
18 demonstration projects in all phases of [urban common
19 carrier mass] public passenger transportation, including
20 the development, testing and demonstration of new
21 facilities, equipment, techniques and methods, to assist
22 in the solution of urban or rural transportation
23 problems, in the improvement of [mass] public passenger
24 transportation service and the contribution of such
25 service toward meeting total urban and rural
26 transportation needs at minimum cost. State funding under
27 this subparagraph shall not exceed five-sixths of the
28 non-Federal share of the project costs.

29 (iii) To assist in providing grants to continue
30 necessary service to the public, to permit needed

1 improvements in service which are not self-supporting, to
2 permit service which may be socially desirable but
3 economically unjustified, and otherwise for any purpose
4 in furtherance of [urban common carrier mass] public
5 passenger transportation. The methodology for calculating
6 the amount of the grant under this subparagraph shall be
7 determined in accordance with section 1303. Each grant to
8 a Class 1 transit entity, to a Class 2 transit entity or
9 to a Class 3 transit entity made pursuant to this
10 paragraph shall be matched by local or private funding in
11 an amount not less than one-third of the total State
12 grant made pursuant to section 1303(b). Any grants to
13 Class 3 transit entities may, however, be matched by an
14 amount not less than the amount of local or private
15 funding which is specified in the State contract for the
16 1990-1991 fiscal year if the department shall have
17 received a certification from such Class 3 transit entity
18 that such lower level of local or private funding is
19 adequate to prevent significant service reductions or
20 passenger fare increases.

21 (3) To make grants to any transportation company or
22 companies for use in providing necessary service to the
23 public, to permit needed improvements in services which are
24 not self-supporting, to permit services which may be socially
25 desirable but economically unjustified, and otherwise for any
26 purpose in furtherance of [urban common carrier mass] public
27 passenger transportation. In view of the particular
28 sensitivity of special instrumentalities and agencies of the
29 Commonwealth created to serve or coordinate the local
30 transportation needs of substantial metropolitan areas, no

1 grant moneys may be used exclusively or principally in the
2 local service area of any such agency or instrumentality in
3 which a city or county of the first or second class has
4 membership, except in accordance with a system of priorities
5 agreed upon by the department and such agency or
6 instrumentality. In the case of a grant where the moneys
7 granted will be used for an activity to be conducted
8 exclusively or principally within the local service areas of
9 such agency or instrumentality, no grant moneys may be used
10 except in accordance with agreements by the department and
11 such agency or instrumentality with respect to such use. In
12 the case of a grant not falling within the scope of the
13 preceding sentence but where moneys granted will be used both
14 within and without the local service area of such agency or
15 instrumentality, the grant shall require that the routes,
16 schedules and fares applicable only within such service areas
17 shall be those mutually agreed upon by the department and
18 such agency or instrumentality. No agreement referred to in
19 this paragraph shall impair, suspend, reduce, enlarge or
20 extend or affect in any manner the powers of the Pennsylvania
21 Public Utility Commission or the Interstate Commerce
22 Commission otherwise applicable by law. Each grant to a Class
23 1 transit entity, to a Class 2 transit entity [or], to a
24 Class 3 transit entity or to a Class 4 transit entity made
25 pursuant to this paragraph shall be matched by local or
26 private funding in an amount not less than one-third of the
27 total State grant made pursuant to section 1303(b). Any
28 grants to Class 3 transit entities may, however, be matched
29 by an amount not less than the amount of local or private
30 funding which is specified in the State contract for the

1 1990-1991 fiscal year if the department shall have received a
2 certification from such Class 3 transit entity that such
3 lower level of local or private funding is adequate to
4 prevent significant service reductions and/or passenger fare
5 increases.

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

28 (i) If two or more capital projects that are
29 receiving Federal funds are combined for financing
30 purposes, the amount of department funds used for any one

1 of such projects may exceed five-sixths of the non-
2 Federal share, provided that the total amount of
3 department funds provided for all the projects so
4 combined does not exceed five-sixths of the total non-
5 Federal share of all of the projects so combined.

6 (ii) If a capital project is eligible to receive
7 Federal financial assistance under the Urban Mass
8 Transportation Act of 1964 or under successor legislation
9 and if the project application for such Federal financial
10 assistance has been rejected or delayed because of a lack
11 of Federal funds or if the normal amount of Federal grant
12 cannot be provided because of a lack of Federal funds and
13 if the department has determined that the capital project
14 is essential and should proceed without delay, department
15 funds for such capital project may be increased
16 temporarily to finance the entire net project cost, with
17 the requirement that, upon the availability of additional
18 Federal funds and the making to the capital project of a
19 new or an additional Federal grant, the amount of
20 department funds in excess of five-sixths of the non-
21 Federal share be refunded to the department or be applied
22 as the department may direct to help meet the
23 department's share of the cost of another project in
24 which the department is a participant. If additional
25 Federal funds are not forthcoming, the department may
26 provide funding up to twenty-nine thirtieths of the net
27 project cost on a permanent basis. This provision is
28 applicable to Class 1 through Class 5 transit entities.

29 (iii) If a project is ineligible to receive Federal
30 financial assistance under the Urban Mass Transportation

1 Act of 1964 or under successor legislation and if the
2 department has determined that the project is essential
3 and should proceed without delay, the amount of
4 department funds for such project shall be limited to an
5 amount not to exceed [one-half] twenty-nine thirtieths of
6 the net project cost. This provision is applicable to
7 Class 1 through Class 5 transit entities.

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

11 (6) To participate in a pooled bus acquisition program
12 with transportation companies or local transportation
13 organizations and the Federal Government for the purpose of
14 making buses available to transportation companies or local
15 transportation organizations for use in [urban common carrier
16 mass] public passenger transportation service, in accordance
17 with the following procedures:

18 (i) The department may apply to the [Urban Mass
19 Transportation] Federal Transit Administration of the
20 United States Department of Transportation for the
21 Federal share of any pooled-bus acquisition project.

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

30 (iii) Before any order for buses is placed by the

1 department with a manufacturer, the department shall
2 secure written assurance from the Federal Government of
3 the availability of Federal financial assistance for such
4 bus acquisitions. The department shall also secure
5 written obligations by the transportation companies or
6 local transportation organizations participating in such
7 bus acquisitions that they will accept delivery of such
8 buses at the appropriate time and will supply local
9 funding in accordance with subparagraph (iv).

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

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

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

26 (vii) At its discretion, the department may organize
27 and fund, with Commonwealth funds, postacquisition
28 studies reasonably related to any pooled-bus acquisition
29 made pursuant to this section, including, but not limited
30 to, a vehicle inspection study at an appropriate interval

1 or intervals following acquisition in order to monitor
2 the condition of any vehicle purchased pursuant to this
3 section.

4 § 1303. Annual appropriation and computation of subsidy.

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

11 (b) Distribution as grants.--The General Assembly shall
12 annually make an appropriation to the department for
13 distribution as grants to local transportation organizations and
14 transportation companies. The total amount of moneys
15 appropriated shall be distributed by the department as grants to
16 local transportation organizations and transportation companies
17 in accordance with the provisions of this section.

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

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

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

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

29 (ii) With respect to any portion of the Class 4
30 transit entity share remaining after each Class 4 transit

1 entity receives an amount equal to 100% of its Class 4
2 transit entity adjusted base grant:

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

9 (B) Twenty-five percent of such excess shall be
10 distributed to Class 4 transit entities based upon
11 each transit entity's Class 4 revenue mile
12 percentage. The actual amount received by each Class
13 4 transit entity under this clause shall be
14 determined by multiplying a particular Class 4
15 transit entity's Class 4 revenue mile percentage
16 times 25% of such excess of the Class 4 transit
17 entity share.

18 (C) Twenty-five percent of such excess shall be
19 distributed to Class 4 transit entities based upon
20 each transit entity's Class 4 revenue hour
21 percentage. The actual amount received by each Class
22 4 transit entity under this clause shall be
23 determined by multiplying a particular Class 4
24 transit entity's Class 4 revenue hour percentage
25 times 25% of such excess of the Class 4 transit
26 entity share.

27 (3) All Class 3 and 4 transit entities may utilize all
28 of the funds received pursuant to this section for any
29 purpose in furtherance of public transportation. Each grant
30 made to a Class 3 or 4 transit entity pursuant to this

1 section shall, however, be matched by local or private
2 funding in an amount not less than one-third of the total
3 State grant made pursuant to subsection (c). Additionally,
4 any grants to Class 3 and 4 transit entities may be matched
5 by an amount not less than the amount of local or private
6 funding which is specified in the State contract for the
7 1990-1991 fiscal year if the department shall have received a
8 certification from such Class 3 or 4 transit entity that such
9 lower level of local or private funding is adequate to
10 prevent significant service reductions or passenger fare
11 increases.

12 (i) All funds allocated to a Class 4 transit entity
13 under sections 1310 (relating to distribution of
14 funding), 1310.1 (relating to supplemental public
15 transportation assistance funding) and 1310.2 (relating
16 to service stabilization and state of good repair
17 program) that are not spent for operating purposes or
18 included in the most recent five-year plan submitted to
19 the department as part of the Class 4 transit entity's
20 rural operating assistance application for capital
21 purposes within three years of initial allocation shall
22 be returned to the department.

23 (ii) The department shall place all such returned
24 funds in a restricted fund to finance the capital and
25 operational expenses of new rural transportation systems
26 created after the effective date of this section and that
27 have previously received demonstration funds and
28 operational expenses of major expansions of existing
29 Class 4 transit entity systems. Such funds may be used
30 for initial start-up expenses and operating costs for a

1 new system or a major expansion for a period up to five
2 years and may be supplemented, at the discretion of the
3 department, with section 1310 project management
4 oversight or planning, development, research, rural
5 expansion and department-initiated program funds.

6 (iii) At the close of each fiscal year, the
7 department shall calculate the remaining balance in the
8 restricted fund, by the year in which the balance was
9 returned to the fund by a transit system. Any funds
10 remaining unspent for new systems or major system
11 expansions at the end of three years shall be
12 redistributed to all Class 4 transit entities based on
13 section 1310.2 formula.

14 (iv) Funds provided to Class 4 transit entities
15 under sections 1310, 1310.1 and 1310.2 are intended to
16 supplement rather than supplant Federal funds available
17 for rural transit services and projects. Where there is
18 insufficient Federal funding to provide the maximum
19 amount for which each system is eligible, the department
20 shall attempt to impact all recipients of Federal funds
21 equally and may use project management oversight or
22 planning, development, research, rural expansion and
23 department-initiated program funds available to the
24 department or funds provided under subparagraphs (i),
25 (ii) and (iii) to remediate any imbalances resulting from
26 allocation of Federal funds.

27 (4) The department shall calculate the Class 1 transit
28 entity share, the Class 2 transit entity share and the Class
29 3 transit entity share for the fiscal year.

30 (5) The department shall then calculate the amount of

1 grant due to each local transportation organization and
2 transportation company as follows:

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

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

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

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

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

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

28 (II) Twenty-five percent of such excess
29 shall be distributed to Class 3 transit entities
30 based upon each transit entity's Class 3 vehicle

1 mile percentage. The actual amount received by
2 each Class 3 transit entity under this subclause
3 shall be determined by multiplying a particular
4 Class 3 transit entity's Class 3 vehicle mile
5 percentage times 25% of such excess of the Class
6 3 transit entity share.

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

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

21 (d) New organizations.--Should a new local transportation
22 organization or transportation company be established and meet
23 the criteria of a Class 1 transit entity, Class 2 transit
24 entity, Class 3 transit entity or Class 4 transit entity as such
25 criteria are set forth in section 1301 (relating to
26 definitions), the department shall make an appropriate
27 determination as to the level of grant to which such local
28 transportation organization or transportation company shall be
29 entitled. This determination shall include, but shall not be
30 limited to, a determination as to an appropriate adjusted base

1 grant for that local transportation organization or
2 transportation company and a determination of appropriate
3 adjustments to class percentages or transit entity shares.

4 (e) Change to different entity class.--If, during any fiscal
5 year, either the number of vehicles operated by a local
6 transportation organization or transportation company or the
7 area served by such a local transportation organization or
8 transportation company changes so that the local transportation
9 organization or transportation company meets the criteria for a
10 different transit entity class, as such criteria are set forth
11 in section 1301, on or before July 15 of the fiscal year which
12 follows such a change and in each fiscal year thereafter, the
13 department shall reflect any change in the transit entity class
14 of such a local transportation organization or transportation
15 company in its calculation of the transit entity shares for each
16 transit entity class for that and subsequent fiscal years. In
17 its calculation of the transit entity shares for each transit
18 entity class required by this section, for the fiscal year
19 following the change in a local transportation organization or
20 transportation company's transit entity class and thereafter,
21 the department shall include the amount of the transit entity
22 share allocated to such a local transportation organization or
23 transportation company for the fiscal year prior to the change
24 in the transit entity class, increased or decreased by the
25 percentage by which the total appropriation being allocated has
26 been increased or decreased in the new fiscal year as compared
27 to the fiscal year just prior to the new fiscal year, in the
28 transit entity share for the new transit entity class of such a
29 local transportation organization or transportation company, and
30 shall delete an equal amount from the transit entity share for

1 the transit entity class for which such a local transportation
2 organization or transportation company no longer meets the
3 criteria in the new fiscal year [or thereafter]. Thereafter, the
4 transit entity share shall be increased or decreased by the
5 percentage by which the total appropriation being allocated has
6 been increased or decreased in the new fiscal year as compared
7 to the fiscal year just prior to the new fiscal year. The amount
8 deleted from a transit entity class and added to a different
9 entity class shall occur with appropriate adjustments to class
10 percentages by the department.

11 (f) Rates, fares and charges.--

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

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

1 (g) Standards and measures.--

2 (1) Within one year after the effective date of this
3 part and every year thereafter, each local transportation
4 organization or transportation company receiving moneys
5 pursuant to this section shall adopt a series of service
6 standards and performance evaluation measures. Such standards
7 and measures shall be in addition to the performance audits
8 required by section 1315 (relating to public transportation
9 grants management accountability) and shall consist of
10 objectives and specific numeric performance levels to be
11 achieved in meeting these standards and objectives. Those
12 standards and measures adopted shall include the following,
13 in addition to others deemed appropriate by the local
14 transportation organization or transportation company:

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

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

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

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

26 (iv.1) Reasonable minimum prequalification standards
27 for prospective transit service subcontractors.

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

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

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

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

26 (5) The department may suspend the eligibility for
27 future discretionary transit grant funds of any transit
28 entity which fails to comply with the provisions of this
29 section. The department shall restore the discretionary
30 funding eligibility of a suspended transit entity at such

1 time as the requirements of this section are met in an
2 amended application received by the department.

3 (6) Notwithstanding any other provision of law, a Class
4 1 transit entity authorized by its enabling statute to
5 exercise the right of eminent domain for public
6 transportation purposes shall, when acquiring land by eminent
7 domain for any purpose permitted under this chapter and
8 financed in whole or in part under this chapter, be bound by
9 the requirement contained in section 2003 of the act of April
10 9, 1929 (P.L.177, No.175), known as The Administrative Code
11 of 1929, to demonstrate by clear and convincing evidence that
12 the activity contemplated on the site proposed to be
13 appropriated could not have been conducted economically at an
14 alternate location. In all cases, when acquiring land in any
15 manner permitted by its enabling statute, a Class I transit
16 entity must conduct a public hearing on the project for which
17 the land is to be acquired, either individually on the
18 project or as part of a hearing on its overall capital
19 budget, and the project must be included in a capital budget
20 submitted to the department in accordance with this chapter.
21 The land acquired for such public transportation purpose and
22 the transit project constructed thereon shall have the same
23 status in relation to the provisions of the act of July 31,
24 1968 (P.L.805, No.247), known as the Pennsylvania
25 Municipalities Planning Code, as land acquired by the
26 department for highway right-of-way purposes.

27 (h) Reduction of certain grants.--With respect to grants to
28 Class 1 transit entities and Class 2 transit entities in any
29 fiscal year, the department shall reduce the grant amount due to
30 such local transportation organization or transportation company

1 by an amount equal to 1% of such grant moneys otherwise due to
2 such local transportation organization or transportation company
3 for each percentage point such local transportation
4 organization's or transportation company's operating ratio is
5 less than 50% in the case of a Class 1 transit entity or less
6 than 46% in the case of a Class 2 transit entity.

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

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

22 "Class 1 percentage." Seventy percent.

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

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

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

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

30 "Class 2 transit entity share." The product of the Class 2

1 percentage times the Class 1 to 3 allocation in a particular
2 fiscal year.

3 "Class 3 transit entity adjusted base grant." The State
4 subsidy which a Class 3 transit entity received during the 1990-
5 1991 fiscal year, including Federal funds transferred from other
6 local transportation organizations and transportation companies
7 from the Federal fiscal year 1989-1990 pursuant to the
8 Governor's apportionment allocation contained in the Urban Mass
9 Transportation Act of 1964.

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

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

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

30 "Class 4 revenue mile percentage." The percentage determined

1 by dividing the revenue miles of a Class 4 transit entity as
2 reported with respect to the most recent fiscal year in the most
3 recently issued Pennsylvania Rural and Small Urban Public
4 Transportation Statistical Report by the total revenue miles of
5 all Class 4 transit entities as reported with respect to the
6 most recent fiscal year reported in the most recently issued
7 Pennsylvania Rural and Small Urban Public Transportation
8 Statistical Report.

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

19 "Operating ratio." The proportion of total operating revenue
20 (which shall include all passenger, charter and advertising
21 revenue, fare reimbursement received from the State Lottery
22 Fund, State funding for asset maintenance and all other receipts
23 associated with the delivery of transit services, but shall
24 exclude Federal grants provided to cover operating losses and
25 State grants made pursuant to subsection (b)) divided by total
26 operating expenses associated with day-to-day operation of the
27 system [() but excluding depreciation of capital assets[]].

28 "Operating revenue." The total revenue earned by a local
29 transportation organization or transportation company through
30 its transit operations, including, but not limited to, passenger

1 revenue, senior citizen grant, charter revenue, school contract
2 revenue, advertising, State funding for asset maintenance and
3 other revenue listed with respect to the most recent fiscal year
4 reported in the most recently issued Pennsylvania Mass Transit
5 Statistical Report.

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

14 § 1310. Distribution of funding.

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

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

24 (1) On or before the fifth day of each month, the
25 Treasury Department shall certify to the department the total
26 amount then available for distribution, and the department
27 shall make distribution of payments required under this
28 subsection on or before the 20th day of each month.

29 (2) Beginning in the 1991-1992 fiscal year, each month,
30 the Treasury Department shall pay one-twelfth of the

1 Department of Transportation project management oversight
2 share for that fiscal year into the General Fund. The moneys
3 so transferred are hereby appropriated to the Department of
4 Transportation for use by that department for expenses
5 related to project management and oversight of capital and
6 asset maintenance projects funded pursuant to this section.

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

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

27 (5) Each month, the department shall distribute one-
28 twelfth of the Class 4 transit entity section 1310 share to
29 Class 4 transit entities in the manner provided in this
30 paragraph. Each Class 4 transit entity shall receive a

1 portion of each monthly distribution of the Class 4 transit
2 entity section 1310 share as follows:

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

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

23 (iii) Twenty-five percent of the monthly
24 distribution of the Class 4 transit entity section 1310
25 share shall be distributed to Class 4 transit entities
26 based upon each transit entity's Class 4 revenue hour
27 section 1310 percentage. The actual amount received by
28 each Class 4 transit entity under this subparagraph shall
29 be determined by multiplying a particular Class 4 transit
30 entity's Class 4 transit entity revenue hour section 1310

1 percentage times the total amount available for
2 distribution under this subparagraph.

3 (6) Each month, after providing for payment of the
4 portion of the Department of Transportation project
5 management oversight share, the community transportation
6 program section 1310 share, the planning, development,
7 research, rural expansion and department-initiated programs
8 section 1310 share and the Class 4 transit entity section
9 1310 share to be distributed that month, the department shall
10 distribute all remaining capital project, asset maintenance
11 and other program funds in accordance with the formula
12 included in this section, until the total net revenue
13 distributed from the Pennsylvania Transportation Assistance
14 Fund reaches a total of \$200 million during a single fiscal
15 year. Any net revenue available in the Pennsylvania
16 Transportation Assistance Fund in excess of \$200,000,000 for
17 a single fiscal year shall be distributed under the formula
18 contained in section 1310.2. Funds shall be distributed
19 according to the formulas of this section as follows:

20 (i) Each Class 1 transit entity shall receive a
21 prorata share of the Class 1 transit entity section 1310
22 share. If there is only one Class 1 transit entity, it
23 shall receive the entire Class 1 transit entity section
24 1310 share.

25 (ii) Each Class 2 transit entity shall receive a
26 prorata share of the Class 2 transit entity section 1310
27 share. If there is only one Class 2 transit entity, it
28 shall receive the entire Class 2 transit entity section
29 1310 share.

30 (iii) Each Class 3 transit entity shall receive a

1 portion of the Class 3 transit entity section 1310 share
2 as follows:

3 (A) Sixteen and sixty-seven hundredths percent
4 of the Class 3 transit entity section 1310 share
5 shall be distributed to Class 3 transit entities
6 based upon each transit entity's Class 3 vehicle mile
7 section 1310 percentage. The actual amount received
8 by each Class 3 transit entity under this clause
9 shall be determined by multiplying a particular Class
10 3 transit entity's Class 3 vehicle mile section 1310
11 percentage times the total amount available for
12 distribution under this clause.

13 (B) Sixteen and sixty-seven hundredths percent
14 of the Class 3 transit entity section 1310 share
15 shall be distributed to Class 3 transit entities
16 based upon each transit entity's Class 3 vehicle hour
17 section 1310 percentage. The actual amount received
18 by each Class 3 transit entity under this clause
19 shall be determined by multiplying a particular Class
20 3 transit entity's Class 3 vehicle hour section 1310
21 percentage times the total amount available for
22 distribution under this clause.

23 (C) Sixteen and sixty-six hundredths percent of
24 the Class 3 transit entity section 1310 share shall
25 be distributed to Class 3 transit entities based upon
26 each transit entity's Class 3 total passenger section
27 1310 percentage. The actual amount received by each
28 Class 3 transit entity under this clause shall be
29 determined by multiplying a particular Class 3
30 transit entity's Class 3 total passenger section 1310

1 percentage times the total amount available for
2 distribution under this clause.

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

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

23 (c) Change of classification.--If, during any fiscal year,
24 either the number of vehicles operated by a local transportation
25 organization or transportation company or the area served by
26 such a local transportation organization or transportation
27 company changes so that the local transportation organization or
28 transportation company meets the criteria for a different
29 transit entity class, as such criteria are set forth in section
30 1301 (relating to definitions), on or before July 15 of the

1 fiscal year which follows such a change and in each fiscal year
2 thereafter, the department shall reflect any change in the
3 transit entity class of such a local transportation organization
4 or transportation company in the Department of Transportation
5 certification for that and subsequent fiscal years. In its
6 calculation of the transit entity section 1310 shares for each
7 transit entity class required by subsection (g)(1) and the
8 transit entity [section 1310.1] sections 1310.1 and 1310.2
9 shares for each transit entity class required by subsection
10 (g)(1) for the fiscal year following the change in a local
11 transportation organization or transportation company's transit
12 entity class and thereafter, the department shall include the
13 amount of the transit entity sections 1310 [and 1310.1], 1310.1
14 and 1310.2 shares allocated to such a local transportation
15 organization or transportation company for the fiscal year prior
16 to the change in the transit entity class, in the transit entity
17 sections 1310 [and 1310.1], 1310.1 and 1310.2 shares for the new
18 transit entity class of such a local transportation organization
19 or transportation company, and shall delete an equal amount from
20 the transit entity sections 1310 [and 1310.1], 1310.1 and 1310.2
21 shares for the transit entity class for which such a local
22 transportation organization or transportation company no longer
23 meets the criteria in the new fiscal year. No local
24 transportation organization or transportation company which has
25 changed from one transit entity class to another due to either
26 an increase in the number of vehicles operated or the United
27 States Census Bureau's declaring its service area an urbanized
28 area shall receive less than the amount transferred on its
29 account by the department pursuant to this section[.] in the
30 first year after the transfer is made. Thereafter, the amount

1 initially transferred and made available to the local
2 transportation organization or transportation company shall be
3 adjusted each year by the same percentage that the transit
4 entity sections 1310, 1310.1 and 1310.2 shares for the new
5 transit entity class of such a local transportation organization
6 or transportation company increase or decrease during that year.

7 (1) For any Class 3 or Class 4 transit entity receiving
8 an allocation of funding through more than one transit entity
9 section 1310 or 1310.1 shares as of the effective date of
10 this paragraph, such system may continue to receive such
11 multiple allocations under this section and section 1310.1
12 (relating to supplemental public transportation assistance
13 funding) and may also receive such multiple allocations under
14 section 1310.2 (relating to service stabilization and state
15 of good repair program), so long as such system continues to
16 operate services that would independently qualify under each
17 of the classes for which that transit entity is receiving an
18 allocation. The share such a system shall receive from each
19 transit entity class share shall represent the share earned
20 solely by service which qualifies under that transit entity
21 class share's category and shall not be duplicative of
22 service earning an allocation under any other transit entity
23 class share.

24 (2) Should a new local transportation organization or
25 transportation company be established and meet the criteria
26 of a Class 1 transit entity, Class 2 transit entity, Class 3
27 transit entity or Class 4 transit entity as such criteria are
28 set forth in this section and sections 1310.1 and 1310.2, the
29 department shall make an appropriate adjustment in its
30 calculation of the transit entity 1310 share, the 1310.1

1 share and the 1310.2 share for each transit entity class to
2 which such local transportation organization or
3 transportation company shall be entitled. This determination
4 shall include, but shall not be limited to, an appropriate
5 adjusted based grant for that local transportation
6 organization or transportation company and a determination of
7 appropriate adjustments to class percentages or transit
8 entity shares.

9 (d) Oversight.--The department shall initiate and maintain a
10 program of review and oversight for any projects receiving funds
11 distributed pursuant to this section [and section 1310.1
12 (relating to supplemental public transportation assistance
13 funding)], sections 1310.1, 1310.2 and 1310.3 (relating to major
14 capital initiative program). The department is authorized to
15 perform independent financial audits of the financial statements
16 of each local transportation organization, transportation
17 company or community transportation program receiving moneys
18 pursuant to this section. These audits shall be conducted in
19 accordance with generally accepted auditing standards. Any
20 financial statements subject to the audit or reports resulting
21 from the audit shall be prepared and presented in accordance
22 with generally accepted accounting principles, consistently
23 applied with previous statements rendered for or on behalf of
24 such organization or company. The department may coordinate such
25 audits in conjunction with audits undertaken by the Auditor
26 General.

27 (e) Fiscal year and capital budget.--

28 (1) The governing body of each local transportation
29 organization or transportation company shall establish a
30 fiscal year for capital programs. No later than the last day

1 of each fiscal year for capital programs, each local
2 transportation organization or transportation company
3 receiving moneys pursuant to this section shall adopt a
4 capital budget and an asset maintenance spending plan for
5 submission to the department.

6 (2) The capital budget shall include the following:

7 (i) A description of any such project.

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

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

13 (iv) The proposed funding sources for any project.

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

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

18 (vii) An explanation of any significant project
19 delays.

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

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

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

29 (3) The asset maintenance spending plan shall include:

30 (i) The amount of moneys expended for asset

1 maintenance costs.

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

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

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

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

20 (5) The capital budget and the asset maintenance
21 spending plan may be amended by formal action of the
22 governing body of such local transportation organization or
23 transportation company from time to time. Any amendments to
24 the capital budget and the asset maintenance spending plan
25 shall be transmitted to the department for its review, and
26 the department may make recommendations to the local
27 transportation organization or transportation company
28 concerning any amendments to the capital budget and the asset
29 maintenance spending plan.

30 (f) Definitions.--As used in this section, the following

1 words and phrases shall have the meanings given to them in this
2 subsection:

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

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

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

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

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

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

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

30 (1) the amount of the Department of Transportation

1 project management oversight share to be paid each month
2 under subsection (b)(2);

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

6 (3) the amount of the planning, development, research,
7 rural expansion and department-initiated programs section
8 1310 share; and

9 (4) the amount of the Class 4 transit entity section
10 1310 share to be paid each month under subsection (b)(5).

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

14 "Class 2 transit entity section 1310 share." The product of
15 the Class 2 section 1310 percentage times the monthly Class 1 to
16 3 allocation.

17 "Class 3 transit entity section 1310 share." The product of
18 the Class 3 section 1310 percentage times the monthly Class 1 to
19 3 allocation.

20 "Class 4 transit entity section 1310 share." Four million
21 dollars during the 1991-1992 fiscal year and \$4,160,000 during
22 the 1992-1993 fiscal year. During the 1993-1994 through 1996-
23 1997 fiscal years, the term shall mean the Class 4 transit
24 entity section 1310 share for the prior fiscal year plus (or
25 minus) the product of the Class 4 transit entity section 1310
26 share for the prior fiscal year times the percentage increase or
27 decrease in the total funds available for distribution pursuant
28 to this section received by the Treasury Department in the most
29 recently completed fiscal year as compared with the prior fiscal
30 year. For the 1997-1998 fiscal year and each fiscal year

1 thereafter, the term shall mean 2.8% of the total amount of
2 capital project, asset maintenance and other program funds
3 projected by the department to be available under this section
4 for distribution during the subject fiscal year.

5 "Class 3 Federal operating cap percentage." The percentage
6 determined by dividing the Federal operating ceiling for a Class
7 3 transit entity by the total Federal operating ceilings for all
8 Class 3 transit entities.

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

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

30 "Class 3 vehicle hour section 1310 percentage." The

1 percentage determined by dividing the vehicle hours of a Class 3
2 transit entity as stated in the latest Department of
3 Transportation certification by the total number of vehicle
4 hours of all Class 3 transit entities as stated in the latest
5 Department of Transportation certification.

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

12 "Class 4 operating assistance grant section 1310 percentage."
13 The percentage determined by dividing the Class 4 transit entity
14 adjusted base grant received by a Class 4 transit entity or,
15 only for purposes of calculating the distribution of funding
16 under section 1310.2, the amount received in the most recent
17 fiscal year prior to the effective date of this definition from
18 the planning, development, research, rural expansion and
19 department-initiated programs section 1310 shares adjusted by
20 the Department of Transportation to account for Federal
21 participation by the total Class 4 transit entity adjusted base
22 grants received pursuant to such act by all Class 4 transit
23 entities during fiscal year 1990-1991 as stated in the
24 Department of Transportation certification[.] plus, only for
25 purposes of calculating the distribution of funding under
26 section 1310.2, the total Class 4 grants received in the most
27 recent fiscal year prior to the effective date of this
28 definition from the planning, development, research, rural
29 expansion and department-initiated programs section 1310 shares
30 adjusted by the department to account for Federal participation

1 for start-up and operations of transit services by systems
2 qualified as Class 4 transit entities.

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

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

15 "Community transportation program section 1310 share." One
16 million seven hundred thousand dollars during the 1991-1992
17 fiscal year, \$1,768,000 during the 1992-1993 fiscal year and,
18 during the 1993-1994 fiscal year and each fiscal year
19 thereafter, shall mean the community transportation program
20 section 1310 share for the prior fiscal year plus (or minus) the
21 product of the community transportation program section 1310
22 share for the prior fiscal year times the percentage increase or
23 decrease in the total funds available for distribution pursuant
24 to this section received by the Treasury Department in the most
25 recently completed fiscal year as compared with the prior fiscal
26 year. However, in any fiscal year in which the total funds
27 authorized to be expended from the State Lottery Fund for
28 purposes enumerated in section 1312 (relating to community
29 transportation programs) is less than \$600,000, the community
30 transportation program section 1310 share shall be increased so

1 that the sum of the community transportation program section
2 1310 share plus the total amount of such moneys paid from the
3 State Lottery Fund for purposes enumerated in section 1312 shall
4 equal \$2,300,000. The combined funding to any county for
5 community transportation under sections 1310 and 1312 shall not
6 exceed \$250,000 in any fiscal year.

7 "Department of Transportation project management oversight
8 share." One million dollars during the 1991-1992 fiscal year
9 and, during the 1992-1993 fiscal year and each fiscal year
10 thereafter, shall mean \$1,000,000 or 0.25% of the total amount
11 of capital project, asset maintenance and other program funds
12 available for distribution pursuant to this section received by
13 the Treasury Department during the prior fiscal year, whichever
14 is greater. These funds may be used at the discretion of the
15 department for the following purposes: projects and services
16 that contribute to the enhancement of public passenger
17 transportation in this Commonwealth, including, but not limited
18 to, project management oversight, planning, development,
19 research, rural expansion, department-initiated programs and
20 special projects.

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

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

1 transportation management projects.

2 "Federal operating ceiling." The maximum amount of Federal
3 funds permitted to be used by a Class 3 transit entity to
4 subsidize transit operations, as published in the November 23,
5 1990, Federal Register (or, where there is more than one transit
6 entity in a region, the maximum amount of Federal funds which
7 such Class 3 transit entity could have utilized to subsidize
8 transit operations pursuant to the subregional allocation as
9 specified in the applicable transportation improvement program)
10 for fiscal year 1990-1991.

11 "Planning, development, research, rural expansion and
12 department-initiated programs section 1310 shares." The sum of
13 \$83,333.33 plus 0.25% of the total capital project, asset
14 maintenance and other program funds available for distribution
15 by the Treasury Department during a particular month[.] pursuant
16 to this section. These funds may be used at the discretion of
17 the Department of Transportation for the following purposes:
18 projects and services that contribute to the enhancement of
19 public passenger transportation in this Commonwealth, including,
20 but not limited to, project management oversight, planning,
21 development, research, rural expansion, department-initiated
22 programs and special projects.

23 "Total passengers." The total of all revenue passengers plus
24 transfer passengers on second and successive rides of a local
25 transportation organization or transportation company, which are
26 funded in whole or in part by this part, with respect to the
27 most recent fiscal year reported in the most recently issued
28 Pennsylvania Mass Transit Statistical Report.

29 "Transportation enrichment funds." Funds provided through
30 either the Department of Transportation project management

1 oversight share or the planning, development, research, rural
2 expansion and department-initiated programs under the section
3 1310 share.

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

6 (g) Certification to Treasury Department.--On or before July
7 15 of each fiscal year, the Department of Transportation shall
8 calculate and certify to the Treasury Department the following:

9 (1) The Department of Transportation project management
10 oversight share, the community transportation program
11 sections 1310 [and 1310.1], 1310.1, 1310.2 and 1310.3 shares,
12 the Class 1 transit entity sections 1310 [and 1310.1],
13 1310.1, 1310.2 and 1310.3 shares, the Class 2 transit entity
14 sections 1310 [and 1310.1], 1310.1, 1310.2 and 1310.3 shares,
15 the Class 3 transit entity sections 1310 [and 1310.1], 1310.1
16 and 1310.2 shares [and], the Class 4 transit entity sections
17 1310 [and 1310.1 shares], 1310.1 and 1310.2 shares, the Class
18 3 and Class 4 transit entities 1310.3 share and the Class 5
19 transit entity 1310.2 share [and], the planning, development,
20 research, rural expansion and department-initiated programs
21 sections 1310 and 1310.1 shares and the intercity passenger
22 rail service share.

23 (2) The names and addresses of each Class 1 transit
24 entity, Class 2 transit entity, Class 3 transit entity [and],
25 Class 4 transit entity and Class 5 transit entity and whether
26 such program or entity is a Class 1 transit entity, Class 2
27 transit entity, Class 3 transit entity [or], Class 4 transit
28 entity[.] or Class 5 transit entity and for a Class 3 transit
29 entity shall certify whether it is operating within the
30 boundaries of a separate Class 1 transit entity's or Class 2

1 transit entity's urbanized area for purposes of section
2 1310.2(b)(5)(iii).

3 (3) The vehicle miles of each Class 3 transit entity,
4 the total vehicle miles of all Class 3 transit entities, the
5 Class 3 vehicle mile sections 1310 and 1310.1 percentages for
6 each Class 3 transit entity, the vehicle hours of each Class
7 3 transit entity, total vehicle hours of all Class 3 transit
8 entities, the Class 3 vehicle hour sections 1310 and 1310.1
9 percentages for each Class 3 transit entity, total passengers
10 for each Class 3 transit entity, the total passengers for all
11 Class 3 transit entities, the Class 3 total passenger
12 sections 1310 and 1310.1 percentages for each Class 3 transit
13 entity, the Federal operating ceiling for each Class 3
14 transit entity, the Federal operating ceiling for all Class 3
15 transit entities, the Federal operating cap percentage for
16 each Class 3 transit entity, the State subsidy received
17 pursuant to section 1303 (relating to annual appropriation
18 and computation of subsidy) as described in the definition of
19 "Class 3 State operating grant percentage" for each Class 3
20 transit entity, the State subsidy received pursuant to
21 section 1303 as described in the definition of "Class 3 State
22 operating grant percentage" for all Class 3 transit entities,
23 [and] the Class 3 State grant percentage for each Class 3
24 transit entity[.], the amount of Federal formula funds
25 received by each Class 3 transit entity during Federal fiscal
26 year 2002-2003, the amount of Federal formula funds received
27 by all Class 3 transit entities during Federal fiscal year
28 2002-2003, the amount of Federal formula funds to be received
29 by each Class 3 transit entity during the year in which
30 section 1310.2 funds are to be distributed, the amount of

1 Federal formula funds to be received by all Class 3 transit
2 entities during the year in which section 1310.2 funds are to
3 be distributed, the Class 3 transit entity section 1310.2
4 Federal funding loss percentage for each Class 3 transit
5 entity and the Class 3 transit entity section 1310.2 Federal
6 funding loss for all Class 3 transit entities, the Class 3
7 section 1310.2 Federal funding loss percentage for the fiscal
8 year, the Class 3 section 1310.2 system growth percentage,
9 the Class 3 entity section 1310.2 fixed-route revenue vehicle
10 hour percentage for each Class 3 transit entity, the Class 3
11 transit entity section 1310.2 fixed-route revenue vehicle
12 hour percentage for all Class 3 transit entities, the Class 3
13 transit entity section 1310.2 total revenue vehicle hour
14 percentage for each Class 3 transit entity, and the Class 3
15 transit entity section 1310.2 total revenue vehicle hour
16 percentage for all Class 3 transit entities; the Class 4
17 transit entity Class 4 operating assistance grant section
18 1310 percentage; for each Class 4 transit entity the Class 4
19 transit entity revenue mile section 1310 percentage; the
20 Class 4 transit entity revenue hour section 1310 percentage;
21 the Class 5 total annual bus, minivan, sedan, station wagon,
22 van and vehicle inventory values; the Class 5 section 1310.2
23 limited eligibility bus, minivan, sedan, station wagon, van
24 total annual bus, minivan, sedan, station wagon, van and
25 vehicle inventory values; and the limited eligibility Class 5
26 transit entity section 1310.2 bus, minivan, sedan, station
27 wagon, van and vehicle inventory values.

28 (4) The operating assistance grant received by each
29 Class 4 transit entity during fiscal year 1990-1991 pursuant
30 to the act of February 11, 1976 (P.L.14, No.10), known as the

1 Pennsylvania Rural and Intercity Common Carrier Surface
2 Transportation Assistance Act, the operating assistance grant
3 received by all Class 4 transit entities during fiscal year
4 1990-1991 pursuant to that act, the Class 4 operating
5 assistance grant sections 1310 and 1310.1 percentages for
6 each Class 4 transit entity, the revenue miles of each Class
7 4 transit entity, the revenue miles of all Class 4 transit
8 entities, the Class 4 revenue mile sections 1310 and 1310.1
9 percentages of each Class 4 transit entity, the revenue hours
10 for each Class 4 transit entity, the revenue hours for all
11 Class 4 transit entities and the Class 4 revenue hour
12 sections 1310 and 1310.1 percentages for each Class 4 transit
13 entity.

14 Section 3. Subsection (a) and the definition of "Class 4
15 operating assistance grant section 1310.1 percentage" in
16 subsection (c) of section 1310.1 of Title 74 are amended to
17 read:

18 § 1310.1. Supplemental public transportation assistance
19 funding.

20 (a) General rule.--Beginning July 1, 1997, 1.22% of the
21 money collected from the tax imposed under Article II of the act
22 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
23 1971, up to a maximum of \$75,000,000, shall be deposited in the
24 Supplemental Public Transportation Account, which is established
25 in the State Treasury. Within 30 days of the close of a calendar
26 month, 1.22% of the taxes received in the prior calendar month
27 shall be transferred to the account. [No funds in excess of
28 \$75,000,000 may be transferred to the account in any one fiscal
29 year.] Beginning July 1, 2003, the maximum cap of \$75,000,000
30 shall be removed, and the full 1.22% of the money collected from

1 the tax shall be deposited in the Supplemental Public
2 Transportation Account. Any funds allocated to the fund during a
3 single fiscal year in excess of \$75,000,000 as a result of this
4 change shall be distributed according to the formula set forth
5 in section 1310.2 (relating to service stabilization and state
6 of good repair program). The money in the account shall be used
7 by the department for supplemental public transportation
8 assistance[,] to be distributed under this section. Transit
9 entities may use supplemental assistance moneys for any of the
10 purposes enumerated in section 1311 (relating to use of funds
11 distributed). In addition to those enumerated purposes, Class 1,
12 2 and 3 transit entities also may use the base supplemental
13 assistance share for general operations. Class 4 transit
14 entities may use all supplemental assistance moneys for general
15 operations.

16 * * *

17 (c) Definitions.--As used in this section, the following
18 words and phrases shall have the meanings given to them in this
19 subsection. Any term used in this section but not defined in
20 this subsection shall have the meaning given in section 1310(f):

21 * * *

22 "Class 4 operating assistance grant section 1310.1
23 percentage." The percentage determined by dividing the Class 4
24 transit entity adjusted base grant received by a Class 4 transit
25 entity, as stated in the latest Department of Transportation
26 certification, or, only for purposes of calculating the
27 distribution of funding under section 1310.2 (relating to
28 service stabilization and state of good repair program), the
29 amount received in the most recent fiscal year prior to the
30 effective date of section 1310.2 from the planning, development,

1 research, rural expansion and department-initiated programs
2 section 1310 shares adjusted by the Department of Transportation
3 to account for Federal participation by the total Class 4
4 transit entity adjusted base grants received by all Class 4
5 transit entities during fiscal year 1990-1991, as stated in the
6 latest Department of Transportation certification[.] plus, only
7 for purposes of calculating the distribution of funding under
8 section 1310.2, the total Class 4 grants received in the most
9 recent fiscal year prior to the effective date of this
10 definition from the planning, development, research, rural
11 expansion and department-initiated programs section 1310 shares
12 adjusted by the Department of Transportation to account for
13 Federal participation for start-up and operations of transit
14 services by systems qualified as Class 4 transit entities.

15 * * *

16 Section 4. Title 74 is amended by adding sections to read:
17 § 1310.2. Service stabilization and state of good repair
18 program.

19 (a) General rule.--Beginning July 1, 2003, an additional
20 3.2184% of the tax imposed under Article II of the act of March
21 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
22 shall be deposited in the Service Stabilization and State of
23 Good Repair Account, which is established in the State Treasury.
24 Within 30 days of the close of the calendar month, the taxes
25 received in the prior calendar month shall be transferred to the
26 account. The money in the account shall be used by the
27 department for the service stabilization and state of good
28 repair program. Transit entities may use service stabilization
29 and state of good repair funds to finance public transportation
30 services, stabilize service and fare levels, maintain

1 transportation vehicles and facilities in a state of good
2 repair, fund routine capital repair, rehabilitation, replacement
3 and expansion of vehicles and facilities, asset maintenance
4 programs and any other purpose enumerated in section 1311
5 (relating to use of funds distributed). A Class 1, Class 2,
6 Class 3 or Class 4 transit entity may use the entire section
7 1310.2 share allocated to the transit entity for service
8 stabilization or state of good repair programs at the discretion
9 of the transit entity after notice of its plan for use of the
10 funds, including a list of capital projects to be funded, is
11 submitted to the department in accordance with section
12 1310.3(c)(i) (relating to major capital initiative program). A
13 Class 5 entity may use funds as specified in section 1312(d) and
14 (e) (relating to community transportation programs). Except
15 where provisions of this chapter permit otherwise, funds
16 provided in this section shall be matched by local or private
17 funds in an amount equal to at least one-thirtieth of the
18 project cost.

19 (b) Distribution procedure.--During each fiscal year,
20 service stabilization and state of good repair program funds
21 shall be distributed as follows:

22 (1) On or before the fifth day of each month, the
23 Treasury Department shall certify to the department the total
24 amount then available for distribution, and the department
25 shall make distribution of payments required under this
26 subsection on or before the 20th day of each month.

27 (2) Each month, the Treasury Department shall pay one-
28 twelfth of intercity passenger rail service section 1310.2
29 percentage for that fiscal year into the General Fund. The
30 moneys so transferred are hereby appropriated to the

1 Department of Transportation for use by the department for
2 expenses related to the support of intercity rail services
3 throughout this Commonwealth pursuant to this section.

4 (3) Each month, the department shall distribute one-
5 twelfth of the Class 5 section 1310.2 percentage to Class 5
6 transit entities in the manner provided in this paragraph.
7 Each Class 5 transit entity shall receive a portion of each
8 monthly distribution of the Class 5 transit entity section
9 1310.2 percentage as follows:

10 (i) Class 5 transit entity annual total vehicle
11 share. Fifty percent of the monthly distribution of the
12 Class 5 section 1310.2 percentage shall be distributed
13 among all eligible Class 5 transit entities based upon
14 the formula below:

15 (A) The department shall first calculate for the
16 year for which the most recently submitted shared-
17 ride vehicle inventory report has been submitted:

18 (I) the Class 5 section 1310.2 total annual
19 bus inventory value;

20 (II) the Class 5 section 1310.2 total annual
21 minivan inventory value;

22 (III) the Class 5 section 1310.2 total
23 annual sedan inventory value;

24 (IV) the Class 5 section 1310.2 total annual
25 station wagon inventory value;

26 (V) the Class 5 section 1310.2 total annual
27 van inventory value; and

28 (VI) the Class 5 section 1310.2 total annual
29 vehicle inventory value.

30 (B) The department shall then calculate for each

1 eligible Class 5 transit entity:

2 (I) the Class 5 transit entity section
3 1310.2 total annual bus inventory;

4 (II) the Class 5 transit entity section
5 1310.2 total annual minivan inventory value;

6 (III) the Class 5 transit entity section
7 1310.2 total annual sedan inventory value;

8 (IV) the Class 5 transit entity section
9 1310.2 total annual station wagon inventory
10 value;

11 (V) the Class 5 transit entity section
12 1310.2 total annual van inventory value; and

13 (VI) the Class 5 transit entity section
14 1310.2 total annual vehicle inventory value,
15 which is the sum of subclauses (I) through (V).

16 (C) The department shall then divide each Class
17 5 transit entity section 1310.2 annual vehicle
18 inventory value calculated in clause (B) by the Class
19 5 section 1310.2 total annual vehicle inventory value
20 calculated in clause (A) to determine each Class 5
21 transit entity's total vehicle inventory percentage.

22 (D) The department shall then apply this
23 percentage to the total available for distribution
24 under subsection (b)(3)(i) and the result will be
25 distributed to each Class 5 transit entity as its
26 Class 5 transit entity total vehicle inventory share.

27 (ii) Limited eligibility Class 5 transit entity
28 annual vehicle share. Fifty percent of the monthly
29 distribution of the Class 5 section 1310.2 percentage
30 shall be distributed among limited eligibility Class 5

1 transit entities.

2 (A) The department shall first calculate for the
3 year for which the most recently submitted shared-
4 ride vehicle inventory report has been submitted:

5 (I) the Class 5 section 1310.2 limited
6 eligibility annual bus inventory value;

7 (II) the Class 5 section 1310.2 limited
8 eligibility annual minivan inventory value;

9 (III) the Class 5 section 1310.2 limited
10 eligibility annual sedan inventory value;

11 (IV) the Class 5 section 1310.2 limited
12 eligibility annual station wagon inventory value;

13 (V) the Class 5 section 1310.2 limited
14 eligibility annual van inventory value; and

15 (VI) the Class 5 section 1310.2 limited
16 eligibility annual vehicle inventory value.

17 (B) The department shall then calculate for each
18 limited eligibility Class 5 transit entity:

19 (I) the limited eligibility Class 5 transit
20 entity section 1310.2 annual bus inventory value;

21 (II) the limited eligibility Class 5 transit
22 entity section 1310.2 annual minivan inventory
23 value;

24 (III) the limited eligibility Class 5
25 transit entity 1310.2 annual sedan inventory
26 value;

27 (IV) the limited eligibility Class 5 transit
28 entity section section 1310.2 annual station
29 wagon inventory value;

30 (V) the Class 5 transit entity section

1 1310.2 limited annual van inventory value; and

2 (VI) the limited eligibility Class 5 transit
3 entity section 1310.2 annual vehicle inventory
4 value, which is the sum of subclauses (I) through
5 (V).

6 (C) The department shall then divide each Class
7 5 transit entity section 1310.2 limited vehicle
8 inventory value calculated in clause (B) by the Class
9 5 section 1310.2 total limited vehicle inventory
10 value calculated in clause (A) to determine each
11 Class 5 transit entity's limited vehicle inventory
12 percentage.

13 (D) The department shall then apply this
14 percentage to the total available for distribution
15 under subsection (b)(3)(ii) and the result will be
16 distributed to each limited eligibility Class 5
17 transit entity as its Class 5 transit entity limited
18 vehicle inventory share.

19 (iii) Each transit entity's Class 5 transit entity
20 section 1310.2 share shall be the total of the results of
21 the calculations performed in subparagraphs (i) and (ii).

22 (4) Each month, the department shall distribute one-
23 twelfth of the Class 4 transit entity section 1310.2
24 percentage to Class 4 transit entities in the manner provided
25 in this paragraph. Each Class 4 transit entity shall receive
26 a portion of each monthly distribution of the Class 4 transit
27 entity section 1310.2 percentage in accordance with the
28 formula defined in section 1310(b)(5) (relating to
29 distribution of funding).

30 (5) Each month, the department shall distribute one-

1 twelfth of the Class 3 transit entity section 1310.2
2 percentage to Class 3 transit entities in the manner provided
3 in this paragraph. Each Class 3 transit entity shall receive
4 a portion of each monthly distribution of the Class 3 transit
5 entity section 1310.2 percentage as follows:

6 (i) Eighty percent of the monthly distribution of
7 the Class 3 transit entity section 1310.2 share shall be
8 distributed among Class 3 transit entities based upon the
9 formula contained in section 1310(b)(6)(iii).

10 (ii) Ten percent of the monthly distribution of the
11 Class 3 transit entity section 1310.2 share shall be
12 distributed among Class 3 transit entities on the basis
13 of loss of Federal funding, as follows:

14 (A) To each Class 3 transit entity that has been
15 subjected to a cut in Federal formula funds
16 distributed under 49 U.S.C. § 5307 (relating to
17 urbanized area formula grants) between the fiscal
18 year prior to the fiscal year in which the section
19 1310.2 funds are being distributed and Federal fiscal
20 year 2002-2003 based on that Class 3 transit entity's
21 Class 3 transit entity section 1310.2 Federal funding
22 loss percentage.

23 (B) In any year in which the total loss of
24 Federal formula funds distributed under 49 U.S.C. §
25 5307 experienced by all Class 3 transit entities
26 between the fiscal year prior to the fiscal year in
27 which the section 1310.2 funds are being distributed
28 and Federal fiscal year 2002-2003 is less than 10% of
29 the Class 3 transit entity section 1310.2 share, the
30 remainder of such funds shall be added to the system

1 growth set-aside and distributed under the formula in
2 subparagraph (iii).

3 (iii) Ten percent of the monthly distribution of the
4 Class 3 transit entity section 1310.2 share plus any
5 excess identified in subparagraph (ii)(B) shall be
6 distributed on the basis of growth of revenue vehicle
7 hours, as follows:

8 (A) Fifty percent of the system growth set-aside
9 shall be distributed to each Class 3 transit entity
10 based on that transit entity's Class 3 section 1310.2
11 total revenue vehicle hour percentage. Every Class 3
12 transit entity shall be deemed to have at least a 10%
13 increase in total revenue vehicle hours during the
14 relevant period. For Class 3 transit entities
15 operating within the boundaries of a separate Class 1
16 transit entity's or Class 2 entity's urbanized area,
17 an additional 10% shall be added to the growth rate
18 calculated after applying the calculation defined in
19 this clause.

20 (B) Fifty percent of the system growth set-aside
21 shall be distributed to each Class 3 transit entity
22 based on that transit entity's Class 3 section 1310.2
23 fixed-route revenue vehicle hour percentage. Every
24 Class 3 transit entity shall be deemed to have at
25 least a 10% increase in fixed-route revenue vehicle
26 hours during the relevant period. For Class 3 transit
27 entities operating within the boundaries of a
28 separate Class 1 transit entity's or Class 2 entity's
29 urbanized area, an additional 10% shall be added to
30 the growth rate calculated after applying the

1 calculation defined in this clause.

2 (C) For purposes of calculating each Class 3
3 transit entity's share of the system growth set-
4 aside, Class 3 transit entities operating public
5 transportation services within the boundaries of a
6 separate Class 1 transit entity's or Class 2 transit
7 entity's urbanized area shall be included in the
8 calculation and receive the appropriate share of the
9 set-aside funds.

10 (6) Each month, the department shall distribute one-
11 twelfth of the Class 2 transit entity section 1310.2
12 percentage to Class 2 transit entities in the manner provided
13 in this paragraph. Each Class 2 transit entity shall receive
14 a pro rata share of the Class 2 transit entity section 1310.2
15 percentage. If there is only one Class 2 transit entity, it
16 shall receive the entire Class 2 transit entity section
17 1310.2 percentage.

18 (7) Each month, the department shall distribute one-
19 twelfth of the Class 1 transit entity section 1310.2
20 percentage to Class 1 transit entities in the manner provided
21 in this paragraph. Each Class 1 transit entity shall receive
22 a pro rata percentage of the Class 1 transit entity section
23 1310.2 percentage. If there is only one Class 1 transit
24 entity, it shall receive the entire Class 1 transit entity
25 section 1310.2 percentage.

26 (c) Alternative means of raising revenue or reducing
27 expenses.--In conjunction with the use of funds allocated under
28 the authority of this section for purposes of service
29 stabilization and in order to maximize the benefit of such
30 funds, a transit entity is required to explore alternative means

1 of raising revenue, including, but not limited to, real estate
2 leases and rentals, equipment leases and rentals, contracting of
3 services, the solicitation of competitive bids and awarding of
4 contracts to the highest responsible bidder for both interior
5 and exterior advertising on all transit entity equipment on
6 which the public is charged a fare for riding, except that only
7 interior advertising need be considered for rail vehicles. Any
8 activity undertaken in conformance with this section or any
9 other provision concerning the use of alternative means of
10 raising revenue shall and will be, in all respects and for all
11 purposes, the performance of an essential governmental function
12 conducted in furtherance of the public purposes of the transit
13 entity and within the powers granted to it and any immunities
14 which it enjoys. No activity undertaken in conformance with this
15 section or any other provision concerning the use of alternative
16 means of raising revenue shall subject a transit entity to pay
17 any property taxes or assessments of any kind or nature
18 whatsoever, now in existence or to be enacted in the future,
19 whether imposed by the Commonwealth or by any political
20 subdivision thereof, or by any other taxing authority. In no
21 event shall a transit entity be required to pay any taxes or
22 assessments of any kind whatsoever upon any property or the
23 income therefrom acquired or used or permitted to be used for
24 the purposes of this section.

25 (d) Definitions.--As used in this section, the following
26 words and phrases shall have the meanings given to them in this
27 subsection. Any term used in this section but not defined in
28 this subsection shall have the meaning given in section 1301
29 (relating to definitions), 1310(f) (relating to distribution of
30 funding) or 1310.1(c) (relating to supplemental public

1 transportation assistance funding), depending on where it
2 appears.

3 "All eligible Class 5 transit entities." All nonprofit
4 coordinators of the shared-ride lottery program for senior
5 citizens excluding Class 1 and 2 transit entities but including
6 nonprofit providers operating in the service area of a Class 1
7 transit entity utilizing a brokerage license issued by the
8 Pennsylvania Public Utility Commission, provided that a
9 nonprofit provider operating in the service area of a Class 1
10 transit entity utilizing a brokerage license issued by the
11 Pennsylvania Public Utility Commission shall only be eligible if
12 it has filed the same form with the Department of Transportation
13 at the same time as other Class 5 entities. For the first year
14 after the effective date of this section, however, such system
15 shall be allowed to file a report for the year for which the
16 department will use data from the other eligible Class 5
17 entities within 30 days of the effective date.

18 "Class 1 section 1310.2 percentage." Sixty-one point eight
19 percent.

20 "Class 2 section 1310.2 percentage." Twenty-two point five
21 percent.

22 "Class 3 section 1310.2 Federal funding loss percentage."
23 Ten percent of the Class 3 section 1310.2 percentage up to a
24 maximum of the total dollar amount of loss of Federal formula
25 funds distributed under 49 U.S.C. § 5307 (relating to urbanized
26 area formula grants) experienced by all Class 3 transit entities
27 between the fiscal year prior to the fiscal year in which the
28 section 1310.2 funds are being distributed and Federal fiscal
29 year 2002-2003 divided by the total Class 3 section 1310.2
30 percentage.

1 "Class 3 section 1310.2 fixed-route revenue vehicle hour
2 percentage." Fifty percent of the Class 3 section 1310.2 system
3 growth percentage.

4 "Class 3 section 1310.2 percentage." Five point six percent.
5 Each Class 3 entity that is a recipient of these funds may use
6 the funds for either service stabilization or capital projects,
7 at its discretion so long as the requirements of section 1311
8 are met.

9 "Class 3 section 1310.2 revenue vehicle hour percentage."
10 Fifty percent of the Class 3 section 1310.2 system growth
11 percentage.

12 "Class 3 section 1310.2 system growth percentage." Ten
13 percent of the Class 3 section 1310.2 percentage plus, for any
14 fiscal year, the amount by which the Class 3 section 1310.2
15 Federal funding loss percentage is less than 10% of the Class 3
16 section 1310.2 percentage, divided by the Class 3 section 1310.2
17 percentage.

18 "Class 3 section 1310.2 total revenue vehicle hour
19 percentage." Fifty percent of the Class 3 section 1310.2 system
20 growth percentage.

21 "Class 3 transit entity section 1310.2 Federal funding loss
22 percentage." The number derived by subtracting the amount of
23 funds received by each Class 3 transit entity that has been
24 subjected to a cut in Federal formula funds distributed under 49
25 U.S.C. § 5307 (relating to urbanized area formula grants) in the
26 fiscal year prior to the fiscal year in which the section 1310.2
27 funds are being distributed from the amount of funds received by
28 that Class 3 transit entity during Federal fiscal year 2002-
29 2003, divided by the total reduction in Federal formula funds
30 for all Class 3 transit entities subjected to such a loss

1 between the fiscal year prior to which the section 1310.2 funds
2 are being distributed and Federal fiscal year 2002-2003.

3 "Class 3 transit entity section 1310.2 fixed-route revenue
4 vehicle hour percentage." The number derived by subtracting a
5 Class 3 transit entity's fixed-route revenue vehicle hours
6 operated during fiscal year 1990-1991 from the fixed-route
7 revenue vehicle hours operated by that Class 3 transit entity
8 during the fiscal year two years prior to the fiscal year for
9 which funding is being distributed and dividing that figure by
10 the number derived by subtracting the total fixed-route revenue
11 vehicle hours operated by all Class 3 transit entities during
12 the fiscal year 1990-1991 from the total fixed-route revenue
13 vehicle hours of service operated by all Class 3 transit
14 entities during the fiscal year two years prior to the fiscal
15 year for which funding is being distributed, except that every
16 Class 3 transit entity shall be deemed to have at least a 10%
17 increase in total fixed-route revenue vehicle hours and all
18 Class 3 transit entities operating within the boundaries of a
19 separate Class 1 transit entity's or Class 2 transit entity's
20 urbanized area shall be credited an additional 10% of growth
21 prior to performing the calculation. Data is to be based upon
22 information published in the most recent Department of
23 Transportation statistical report.

24 "Class 3 transit entity section 1310.2 total revenue vehicle
25 hour percentage." The number derived by subtracting a Class 3
26 transit entity's total revenue vehicle hours operated during
27 fiscal year 1990-1991 from the total revenue vehicle hours
28 operated by that Class 3 transit entity during the fiscal year
29 two years prior to the fiscal year for which funding is being
30 distributed and dividing that figure by the number derived by

1 subtracting the total revenue vehicle hours operated by all
2 Class 3 transit entities during the fiscal year 1990-1991 from
3 the total revenue vehicle hours of service operated by all Class
4 3 transit entities during the fiscal year two years prior to the
5 fiscal year for which funding is being distributed, except that
6 every Class 3 transit entity shall be deemed to have at least a
7 10% increase in total revenue vehicle hours and all Class 3
8 transit entities operating within the boundaries of a separate
9 Class 1 transit entity's or Class 2 transit entity's urbanized
10 area shall be credited an additional 10% of growth prior to
11 performing the calculation. Data is to be based upon information
12 published in the most recent Department of Transportation
13 statistical report.

14 "Class 4 section 1310.2 percentage." Two point three
15 percent. Each Class 4 transit entity that is a recipient of
16 these funds may use the funds for either service stabilization
17 or capital projects at its discretion so long as the
18 requirements of section 1311 (relating to use of funds
19 distributed) are met.

20 "Class 5 section 1310.2 limited eligibility annual bus
21 inventory value." The total number of qualified buses reported
22 to the Department of Transportation by limited eligibility Class
23 5 transit entities on the most recently submitted vehicle
24 inventory report multiplied by the value designated for that
25 type of vehicle by the department.

26 "Class 5 section 1310.2 limited eligibility annual minivan
27 inventory value." The total number of qualified minivans
28 reported to the Department of Transportation by limited
29 eligibility Class 5 transit entities on the most recently
30 submitted vehicle inventory report multiplied by the value

1 designated for that type of vehicle by the department.

2 "Class 5 section 1310.2 limited eligibility annual sedan
3 inventory value." The total number of qualified sedans reported
4 to the Department of Transportation by limited eligibility Class
5 5 transit entities on the most recently submitted vehicle
6 inventory report multiplied by the value designated for that
7 type of vehicle by the department.

8 "Class 5 section 1310.2 limited eligibility annual station
9 wagon inventory value." The total number of qualified station
10 wagons reported to the Department of Transportation by limited
11 eligibility Class 5 transit entities on the most recently
12 submitted vehicle inventory report multiplied by the value
13 designated for that type of vehicle by the department.

14 "Class 5 section 1310.2 limited eligibility annual van
15 inventory value." The total number of qualified vans reported
16 to the Department of Transportation by limited eligibility Class
17 5 transit entities on the most recently submitted vehicle
18 inventory report multiplied by the value designated for that
19 type of vehicle by the department.

20 "Class 5 section 1310.2 limited eligibility annual vehicle
21 inventory value." For a given year, the total of the Class 5
22 section 1310.2 limited annual bus inventory value, the Class 5
23 section 1310.2 limited annual minivan inventory value, the Class
24 5 section 1310.2 limited annual sedan inventory value, the Class
25 5 section 1310.2 limited annual station wagon inventory value
26 and the Class 5 section 1310.2 limited annual van inventory
27 value.

28 "Class 5 section 1310.2 percentage." Four point five percent
29 Each Class 5 transit entity that is a recipient of these funds
30 may use the funds for capital projects and for asset maintenance

1 and emergency situation recovery to the extent permitted by
2 section 1312 (relating to community transportation programs).

3 "Class 5 section 1310.2 total annual bus inventory value."

4 The total number of all qualified buses reported to the
5 Department of Transportation on the most recently submitted
6 vehicle inventory report multiplied by the value designated for
7 that type of vehicle by the department.

8 "Class 5 section 1310.2 total annual minivan inventory
9 value." The total number of all qualified minivans reported to
10 the Department of Transportation on the most recently submitted
11 vehicle inventory report multiplied by the value designated for
12 that type of vehicle by the department.

13 "Class 5 section 1310.2 total annual sedan inventory value."
14 The total number of all qualified sedans reported to the
15 Department of Transportation on the most recently submitted
16 vehicle inventory report multiplied by the value designated for
17 that type of vehicle by the department.

18 "Class 5 section 1310.2 total annual station wagon inventory
19 value." The total number of all qualified station wagons
20 reported to the Department of Transportation on the most
21 recently submitted vehicle inventory report multiplied by the
22 value designated for that type of vehicle by the department.

23 "Class 5 section 1310.2 total annual van inventory value."
24 The total number of all qualified vans reported to the
25 Department of Transportation on the most recently submitted
26 vehicle inventory report multiplied by the value designated for
27 that type of vehicle by the department.

28 "Class 5 section 1310.2 total annual vehicle inventory
29 value." For a given year, the total of the Class 5 section
30 1310.2 total annual bus inventory value, the Class 5 section

1 1310.2 total annual minivan inventory value, the Class 5 section
2 1310.2 total annual sedan inventory value, the Class 5 section
3 1310.2 total annual station wagon inventory value and the Class
4 5 section 1310.2 total annual van inventory value.

5 "Class 5 transit entity section 1310.2 share." The total of
6 the results of the calculations performed in subsection (b)(3).

7 "Class 5 transit entity section 1310.2 total annual bus
8 inventory value." The total number of all qualified buses
9 reported by an individual Class 5 transit entity to the
10 Department of Transportation on the most recently submitted
11 vehicle inventory report multiplied by the value designated for
12 that type of vehicle by the department divided by the Class 5
13 section 1310.2 total annual bus inventory value.

14 "Class 5 transit entity section 1310.2 total annual minivan
15 inventory value." The total number of all qualified minivans
16 reported by an individual Class 5 transit entity to the
17 Department of Transportation on the most recently submitted
18 vehicle inventory report multiplied by the value designated for
19 that type of vehicle by the department divided by the Class 5
20 section 1310.2 total annual minivan inventory value.

21 "Class 5 transit entity section 1310.2 total annual sedan
22 inventory value." The total number of all qualified sedans
23 reported by an individual Class 5 transit entity to the
24 Department of Transportation on the most recently submitted
25 vehicle inventory report multiplied by the value designated for
26 that type of vehicle by the department divided by the Class 5
27 section 1310.2 total annual sedan inventory value.

28 "Class 5 transit entity section 1310.2 total annual station
29 wagon inventory value." The total number of all qualified
30 station wagons reported by an individual Class 5 transit entity

1 to the Department of Transportation on the most recently
2 submitted vehicle inventory report multiplied by the value
3 designated for that type of vehicle by the department divided by
4 the Class 5 section 1310.2 total annual station wagon inventory
5 value.

6 "Class 5 transit entity section 1310.2 total annual van
7 inventory value." The total number of all qualified vans
8 reported by an individual Class 5 transit entity to the
9 Department of Transportation on the most recently submitted
10 vehicle inventory report multiplied by the value designated for
11 that type of vehicle by the department divided by the Class 5
12 section 1310.2 total annual van inventory value.

13 "Class 5 transit entity section 1310.2 annual vehicle
14 inventory value." For each Class 5 transit entity, for a given
15 year, the sum of the total Class 5 transit entity section 1310.2
16 annual bus inventory value, the total Class 5 transit entity
17 section 1310.2 annual minivan inventory value, the total Class 5
18 transit entity section 1310.2 annual sedan inventory value, the
19 total Class 5 transit entity section 1310.2 annual station wagon
20 inventory value and the total Class 5 transit entity section
21 1310.2 annual van inventory value.

22 "Fixed-route revenue vehicle hours." The total number of
23 hours operated in total public transportation revenue service by
24 all vehicles belonging to or under contract to a Class 3 transit
25 entity during a fiscal year.

26 "Intercity passenger rail service." Passenger railroad
27 service connecting two or more urbanized areas and determined by
28 the Department of Transportation to qualify as intercity service
29 rather than commuter rail service.

30 "Intercity passenger rail service section 1310.2 percentage."

1 Three point four percent.

2 "Intercity passenger rail service program." Funds allocated
3 to the Department of Transportation to support intercity
4 passenger rail service. Program funds may be expended directly
5 by the department, expended through contracts with outside
6 entities or expended through grants in support of intercity
7 passenger rail service. Eligible expenditures include, but are
8 not limited to, program administration, studies, marketing,
9 operating subsidies, contracts for service, preconstruction
10 planning, engineering and design, capital projects, acquisition
11 of right-of-way and project oversight and accountability.

12 "Limited eligibility Class 5 transit entity." All nonprofit
13 coordinators of the shared-ride lottery program for senior
14 citizens except for a coordinator operating in a county of the
15 first or second class, nonprofit providers operating in a city
16 of the first class utilizing a brokerage license issued by the
17 Pennsylvania Public Utility Commission or any otherwise-
18 qualified Class 5 transit entity that contracts with a private
19 for-profit operator which is regulated by the Pennsylvania
20 Public Utility Commission if the Class 5 transit entity utilizes
21 an approved fare structure developed by the for-profit operator
22 with the intention of generating a profit.

23 "Limited eligibility Class 5 transit entity section 1310.2
24 annual bus inventory value." The total number of qualified
25 buses reported by an individual limited eligibility Class 5
26 transit entity to the Department of Transportation on the most
27 recently submitted vehicle inventory report multiplied by the
28 value designated for that type of vehicle by the department
29 divided by the Class 5 section 1310.2 limited annual bus
30 inventory value.

1 "Limited eligibility Class 5 transit entity section 1310.2
2 annual minivan inventory value." The total number of qualified
3 minivans reported by an individual limited eligibility Class 5
4 transit entity to the Department of Transportation on the most
5 recently submitted vehicle inventory report multiplied by the
6 value designated for that type of vehicle by the department
7 divided by the Class 5 section 1310.2 limited annual bus
8 inventory value.

9 "Limited eligibility Class 5 transit entity section 1310.2
10 annual sedan inventory value." The total number of qualified
11 sedans reported by an individual limited eligibility Class 5
12 transit entity to the Department of Transportation on the most
13 recently submitted vehicle inventory report multiplied by the
14 value designated for that type of vehicle by the department
15 divided by the Class 5 section 1310.2 limited annual sedan
16 inventory value.

17 "Limited eligibility Class 5 transit entity section 1310.2
18 annual station wagon inventory value." The total number of all
19 qualified station wagons reported by an individual limited
20 eligibility Class 5 transit entity to the Department of
21 Transportation on the most recently submitted vehicle inventory
22 report multiplied by the value designated for that type of
23 vehicle by the department divided by the Class 5 section 1310.2
24 limited annual station wagon inventory value.

25 "Limited eligibility Class 5 transit entity section 1310.2
26 annual van inventory value." The total number of all qualified
27 vans reported by an individual limited eligibility Class 5
28 transit entity to the Department of Transportation on the most
29 recently submitted vehicle inventory report multiplied by the
30 value designated for that type of vehicle by the department

1 divided by the Class 5 section 1310.2 limited annual van
2 inventory value.

3 "Limited eligibility Class 5 transit entity section 1310.2
4 annual vehicle inventory value." For each limited eligibility
5 Class 5 transit entity, for a given year, the sum of the limited
6 eligibility Class 5 transit entity section 1310.2 annual bus
7 inventory value, the limited eligibility Class 5 transit entity
8 section 1310.2 annual minivan inventory value, the limited
9 eligibility Class 5 transit entity section 1310.2 annual sedan
10 inventory value, the limited eligibility Class 5 transit entity
11 section 1310.2 annual station wagon inventory value and the
12 limited eligibility Class 5 transit entity section 1310.2 annual
13 van inventory value.

14 "Public transportation entity." A Class 1, 2, 3, 4 or 5
15 transit entity as defined in this chapter.

16 "Qualified vehicle." A qualified vehicle for purposes of
17 calculating a Class 5 transit entity's section 1310.2 share
18 shall be a bus, minivan, sedan, station wagon or van that is
19 included on the most recently submitted Shared Ride Vehicle
20 Inventory Report, is actively engaged in the provision of
21 community transit services during the year in which it is
22 reported and is insured during that year

23 "Service stabilization." The ability to retain adequate
24 levels of service to meet passenger demand and maintain vehicles
25 and facilities in safe, attractive condition at fares that will
26 not result in ridership losses.

27 "State of good repair programs." Investment designed to
28 ensure an existing transit entity remains in safe, operational,
29 attractive condition, including, but not limited to, capital
30 projects, vehicle overhaul, asset maintenance, infrastructure

1 safety and renewal projects and environmental cleanup.

2 "Total revenue vehicle hours." The total number of hours
3 operated in revenue service by all vehicles belonging to or
4 under contract to a Class 3 transit entity during a fiscal year,
5 regardless of the type of service offered by those vehicles.

6 "Vehicle inventory report." A listing of all vehicles used
7 by Class 5 transit entities, by vehicle type, in a given year
8 which must be submitted to the Department of Transportation in
9 the format specified by the department to qualify as a recipient
10 for section 1310.2 Class 5 funding.

11 § 1310.3. Major Capital Initiative Program.

12 (a) General rule.--Any funds dedicated for the use of public
13 passenger transit entities out of General Fund revenues, the
14 expenditure of which is permitted exclusively for major capital
15 initiatives as defined in this section, shall be deposited in
16 the Major Capital Initiative Account, which is established in
17 the State Treasury. The money in the account shall be used by
18 the Department of Transportation for the Major Capital
19 Initiative Program and shall be distributed in accordance with
20 this section. Transit entities may use major capital initiative
21 funds to finance public transportation improvements that fit
22 within the definition of "major capital initiative" in
23 subsection (d).

24 (b) Distribution procedure.--During each fiscal year, major
25 capital initiative program funds shall be distributed as
26 follows:

27 (1) On or before the fifth day of each month, the
28 Treasury Department shall certify to the department the total
29 amount then available for distribution, and the department
30 shall make distribution of payments required under this

1 subsection on or before the 20th day of each month.

2 (2) Each month, the department shall distribute one-
3 twelfth of the Class 1 transit entity section 1310.3
4 percentage available during the fiscal year in which it is
5 distributed to Class 1 transit entities in the manner
6 provided in this paragraph. Each Class 1 transit entity shall
7 receive a pro rata share of the Class 1 transit entity
8 section 1310.3 percentage. If there is only one Class 1
9 transit entity, it shall receive the entire Class 1 transit
10 entity section 1310.3 percentage.

11 (3) Each month, the department shall distribute one-
12 twelfth of the Class 2 transit entity section 1310.3
13 percentage available during the fiscal year in which it is
14 distributed to Class 2 transit entities in the manner
15 provided in this paragraph. Each Class 2 transit entity shall
16 receive a pro rata percentage of the class 2 transit entity
17 section 1310.3 percentage. If there is only one Class 1
18 transit entity, it shall receive the entire Class 1 transit
19 entity section 1310.3 percentage.

20 (4) Each month, the department shall distribute one-
21 twelfth of the Class 3 and Class 4 transit entity section
22 1310.3 percentage available during the fiscal year in which
23 it is distributed to the department. The department shall
24 further distribute the funds to each Class 3 or Class 4
25 transit entity that has a Major Capital Initiative Project
26 included in the approved Major Capital Initiative Program
27 plan for the fiscal year during which the funds are being
28 distributed. Each Class 3 and Class 4 transit entity that
29 receives major capital initiative funds under this subsection
30 shall each month receive a percentage of the one-twelfth of

1 the Class 3 and Class 4 transit entity section 1310.3
2 percentage being distributed that is equal to the percentage
3 its approved project represents of the total Major Capital
4 Initiative Program for Class 3 and Class 4 transit entities
5 approved for that fiscal year by the department.

6 (c) Program requirements.--

7 (1) The department shall develop an application process
8 and criteria to evaluate requests for section 1310.3 major
9 capital initiative program funds submitted by Class 3 and
10 Class 4 transit entities. The application process and
11 criteria shall be the same for both classes, and projects
12 submitted by Class 3 and Class 4 transit entities shall be
13 considered as one pool for purposes of evaluation.

14 (2) Within 90 days of the effective date of this
15 section, each Class 3 and Class 4 transit entity that
16 receives funds under section 1310.2 (relating to service
17 stabilization and state of good repair) shall submit to the
18 department a five-year plan for use of those funds,
19 delineating which funds will be used for capital purposes and
20 which funds will be used for operating purposes. When funding
21 is made available for the purposes of this section, each
22 Class 3 and Class 4 transit entity shall identify its
23 projected need for major capital initiative funding during
24 the five-year period in conjunction with its five-year plan
25 for use of service stabilization and state of good repair
26 funds. This plan may be amended at any time but must be
27 updated at least once per year after the initial submission.

28 (3) Each year, by January 30, any Class 3 or Class 4
29 transit entity that wishes to receive funds from the Class 3
30 and Class 4 major capital initiative section 1310.3

1 percentage during the following fiscal year shall submit to
2 the department an application for such funds, including such
3 information and in such form as the department shall require,
4 except that a transit entity that wishes to receive major
5 capital initiative funding during a period that exceeds one
6 year shall only be required to submit a full application
7 during the first year it seeks funds. Thereafter, it need
8 only submit a progress report, an accounting of the funds
9 spent and an estimate of the funding needed during the
10 upcoming fiscal year.

11 (4) Major capital initiative funds may be used to match
12 Federal funds available for capital purposes. For all
13 federally funded programs distributed on a formula basis or
14 individually through Congressional earmarks under
15 discretionary funding programs other than the Federal New
16 Start Program, section 1310.3 funds may provide local match-
17 up to five-sixths of the required non-Federal match. For
18 Federal funds provided through the Federal New Start Program,
19 section 1310.3 funds may provide up to five-sixths of the
20 non-Federal match currently required to meet the competitive
21 requirements imposed by the United States Department of
22 Transportation or the United States Congress, whichever is
23 greater. Section 1310.3 funds may be combined with other
24 funds provided under this title or through State bond funds
25 to meet non-Federal matching requirements.

26 (5) All moneys distributed pursuant to section 1310.3
27 shall be matched by local or private funding in an amount
28 equal to at least one-thirtieth of the total project cost.
29 Notwithstanding the above match requirement, however, a Class
30 3 or Class 4 system may provide a lower level of local or

1 private funding match, if and as approved by the department
2 so long as the local or private funding equals at least one-
3 thirtieth of the non-Federal share of the project.

4 (d) Definitions.--As used in this section, the following
5 words and phrases shall have the meanings given to them in this
6 subsection. Any term used in this section but not defined in
7 this subsection shall have the meaning given in section 1301,
8 1310(f), 1310.1(c) or 1310.2(c), depending on where it appears:

9 "Class 1 section 1310.3 percentage." Sixty percent.

10 "Class 2 section 1310.3 percentage." Twenty-four percent.

11 "Classes 3 and 4 section 1310.3 percentage." Sixteen
12 percent.

13 "Federal New Start Program." The funding program authorized
14 in 49 U.S.C. § 5309 (relating to capital investment grants and
15 loans), permitting the Secretary of Transportation to make
16 grants and loans for capital projects for new fixed guideway
17 systems and extensions to existing fixed guideway systems, in
18 accordance with the guidelines specified in 49 U.S.C. § 5309(e).

19 "Major capital initiative." A major capital project or
20 program of projects designed to significantly expand or enhance
21 an existing transit system for which funding under section 1310,
22 1310.1 or 1310.2 programs is insufficient, including, but not
23 limited to, the establishment of a new fixed guideway line or
24 system or extension of a fixed guideway line or system under the
25 Federal New Start Program; major construction or reconstruction
26 of facilities; major fleet replacement; significant fleet
27 expansion or other major capital projects.

28 § 1310.4 Keystone Initiative

29 (a) General rule.--An additional 0.378% of the sales tax
30 shall be allocated to the Keystone Initiative. The funds will be

1 allocated to the Department of Transportation and expended for
2 the purpose of bringing the Keystone Corridor into a state of
3 good repair, maintaining it in such a state and making
4 improvements if the level of funding exceeds the amount needed
5 to maintain a state of good repair.

6 (b) Eligible projects.--Eligible projects include repair and
7 improvement to all facets of the Keystone Corridor, including,
8 but not limited to, track, trackbed, catenary, power
9 distribution, signals, stations and parking. Projects may
10 benefit intercity and commuter rail systems operating in the
11 Keystone Corridor.

12 (c) State share.--The State may provide up to twenty-nine
13 thirtieths of total project cost. The remainder shall be
14 provided by the operator of the rail system that is the primary
15 beneficiary of the particular improvement. Where more than one
16 rail system benefits from the improvement, each shall contribute
17 to the non-State share in proportion to the benefits to that
18 system. If the rail systems cannot agree on an apportionment of
19 benefit, the department shall make that determination.

20 (d) Distribution of funds.--Eighty percent of the funds
21 provided under this program shall be allocated on the basis of
22 miles of rail service operated on the Keystone Corridor in the
23 year prior to the distribution of funds and made available for
24 improvements benefiting the rail system that operated those
25 miles. The remainder of the funds may be allocated at the
26 discretion of the department for projects in the Keystone
27 Corridor. Projects that benefit more than one rail system may be
28 combined. If there is an agreement between or among rail
29 systems, any portion of this program may be reallocated
30 temporarily, with the percentages restored to the donating rail

1 system at the completion of the agreement, under the terms of
2 the agreement.

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

6 "Keystone Corridor." The rail line between Harrisburg,
7 Pennsylvania and Philadelphia, Pennsylvania, including all
8 facilities and stations within that distance.

9 "Rail system." A system operating passenger service on the
10 Keystone Corridor, including both intercity passenger service
11 and commuter rail service.

12 Section 5. Section 1311(d) and (e)(3) of Title 74 are
13 amended and the section is amended by adding a subsection to
14 read:

15 § 1311. Use of funds distributed.

16 * * *

17 (b.1) Utilization of funds.--All Class 3 and 4 transit
18 entities may utilize all of the funds received pursuant to
19 section 1310, 1310.1 (relating to supplemental public
20 transportation assistance funding) or 1310.2 (relating to
21 service stabilization and state of good repair program) for any
22 purpose in furtherance of public transportation, including
23 capital, asset maintenance and operating.

24 * * *

25 (d) Management of funds.--

26 (1) Each local transportation organization or
27 transportation company receiving moneys pursuant to sections
28 1310 and 1310.1 [(relating to supplemental public
29 transportation assistance funding)] shall hold such moneys in
30 an account separate from other funds of the local

1 transportation organization or transportation company and
2 shall invest such moneys until such funds are used in
3 accordance with this section, with such funds being invested
4 in accordance with the limits on investment of the local
5 transportation organization or transportation company.

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

10 (2) All moneys distributed pursuant to [section 1310]
11 sections 1310, 1310.1 and 1310.2 and utilized for asset
12 maintenance under subsection (e) shall be matched by local or
13 private funding in an amount equal to at least 1/30 of the
14 amount expended for such purposes, except that, in the case
15 of Class 3 and 4 transit entities, no matching funds shall be
16 required if the department shall have received from the local
17 governmental funding source which would otherwise provide the
18 matching funds a certification that compliance with the
19 matching requirement would create an undue financial burden
20 upon the local governmental funding source such that a
21 curtailment of government services endangering public health
22 and safety would ensue. Funds allocated to a Class 5 entity
23 under section 1310.2 and utilized by that Class 5 transit
24 entity for asset maintenance under section 1312 shall be
25 matched by local or private funding in an amount equal to at
26 least one-thirtieth of the amount expended for such purposes,
27 except that no matching funds shall be required for funds
28 utilized by a Class 5 transit entity for asset maintenance
29 under section 1312 if the county in which the Class 5 transit
30 entity is operating, provided that the county that subsidizes

1 the service, or the nongovernmental entity that provides the
2 largest amount of funds to the Class 5 transit entity and the
3 board of the Class 5 transit entity provide a certification
4 that compliance with the matching requirement would create an
5 undue financial burden such that essential services of the
6 county or nongovernmental entity would be curtailed.

7 [(3) All moneys distributed pursuant to section 1310.1
8 and utilized under this section shall be matched by local or
9 private funding in an amount equal to at least 1/30 of the
10 amount expended for such purposes, except that, in the case
11 of Class 3 and 4 transit entities, no funds utilized for
12 asset maintenance under subsection (e) shall require a local
13 match if the department shall have received from the local
14 governmental funding source which would otherwise provide the
15 matching funds a certification that compliance with the
16 matching requirement would create an undue financial burden
17 upon the local governmental funding source such that a
18 curtailment of government services endangering public health
19 and safety would ensue.]

20 (e) Asset maintenance.--

21 * * *

22 (3) On or before March 1 of each year, the department
23 shall certify to each local transportation organization or
24 transportation company the amount of capital project, asset
25 maintenance, base supplemental assistance and other program
26 funds which the department estimates each local
27 transportation organization or transportation company will be
28 entitled to receive during the ensuing fiscal year. Each
29 local transportation organization or transportation company
30 may expend moneys distributed pursuant to sections 1310 and

1 1310.1 shares to fund asset maintenance costs up to the
2 following maximum percentages of the estimate from the
3 department, including accrued interest, the amount received
4 during the prior fiscal year or the amount actually received
5 in the current fiscal year, whichever is greater:

6 (i) Class 1 transit entities may utilize for asset
7 maintenance costs up to a maximum of 30% of the funds
8 received pursuant to sections 1310 and 1310.1 shares.

9 (ii) Class 2 [and 3] transit entities may utilize
10 for asset maintenance costs up to a maximum of 50% of the
11 funds received pursuant to sections 1310 [and 1310.1],
12 1310.1 and 1310.2.

13 [(iv) Class 4 transit entities may utilize for asset
14 maintenance costs up to a maximum of 50% of the funds
15 received pursuant to sections 1310 and 1310.1.]

16 * * *

17 Section 6. Sections 1312 and 1315 of Title 74 are amended by
18 adding subsections to read:

19 § 1312. Community transportation programs.

20 * * *

21 (d) Class 5 transit entities.--A Class 5 transit entity may
22 use all of its section 1310.2 funds for capital purposes, or at
23 its option a limited eligibility Class 5 transit entity may use
24 up to 50% of funds received pursuant to section 1310.2 (relating
25 to service stabilization and state of good repair program) for
26 asset maintenance purposes. In any year in which a limited
27 eligibility Class 5 transit entity incurs a loss of passenger
28 revenue and/or subsidy provided on the basis of number of
29 passengers carried as a result of severe weather conditions or
30 another extreme emergency, as determined by the department, that

1 system may apply a sufficient portion of the funds it receives
2 pursuant to section 1310.2 and which are eligible for use for
3 asset maintenance purposes to cover the additional and/or
4 unsubsidized expenses that it incurred as a result of such
5 emergency. A Class 5 transit entity shall certify to the
6 department each year, as part of its application, that the
7 section 1310.2 funds made available to that Class 5 transit
8 entity shall not be used to replace previously available funding
9 provided by another source, including, but not limited to, the
10 Medical Assistance Transportation Program.

11 § 1315. Public transportation grants management accountability.

12 * * *

13 (g) Procurement.--A transit entity that receives funding
14 under this chapter may participate in, sponsor, conduct or
15 administer a cooperative purchasing agreement for the
16 procurement of supplies, services, equipment or construction
17 with one or more transit entity or other public procurement unit
18 or with a mass transit entity or external procurement unit not
19 located in this Commonwealth consistent with the provisions of
20 62 Pa.C.S. Ch. 19 (relating to intergovernmental relations).
21 Where Federal funds provide a portion of the funds to implement
22 such a purchase, a transit entity must also comply with any
23 Federal procurement requirements that exceed those contained in
24 62 Pa.C.S Ch. 19.

25 Section 7. Section 1724(b) of Title 74 is repealed.

26 Section 8. Title 75 is amended by adding a section to read:

27 § 3315. Passing and overtaking streetcars.

28 (a) General rule.--Notwithstanding any other provision in
29 this subchapter, the driver of a vehicle may not overtake and
30 pass to the left of a streetcar proceeding in the same

1 direction, whether the streetcar is actually in motion or
2 temporarily halted to receive or discharge passengers, if
3 overtaking or passing requires driving in a lane normally used
4 by traffic moving in the opposite direction.

5 (b) Prohibition.--The driver of a vehicle may not overtake
6 and pass a streetcar which has stopped to receive or discharge
7 passengers on the side on which the passengers board or alight
8 until the doors of the streetcar are closed and passengers who
9 are discharged have reached the side of the highway onto which
10 they are discharged.

11 (c) Exceptions.--This section will not apply to those
12 locations where streetcars are operating on tracks which are
13 located within a median section of the roadway, when that median
14 section is separated from the roadway by curbs or physical
15 barriers.

16 Section 9. This act shall take effect in 60 days.