

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1592 Session of
2005

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YOUNGBLOOD, MANDERINO AND CRAHALLA, MAY 27, 2005

REFERRED TO COMMITTEE ON TRANSPORTATION, MAY 27, 2005

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 special traffic rules.

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

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 * * *

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

16 * * *

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

24 * * *

25 "Non-Federal share." The portion of a capital project not
26 covered by a Federal grant or loan, regardless of the percentage
27 of the total project cost covered by the Federal grant or loan
28 or the Federal to non-Federal match ratio included in Federal
29 statutes governing the project if the actual Federal to non
30 Federal match ratio is different than that identified in the

governing statute. Where no Federal funds are provided for the project, the non-Federal share is the entire project cost. The term shall apply to capital projects for which State funding is provided under any section of this title, including, but not limited to sections 1302 (relating to program authorizations), 1310 (relating to distribution of funding), 1310.1 (relating to supplemental public transportation assistance funding), 1310.2 (relating to service stabilization and state of good repair program) and 1310.3 (relating to Major Capital Initiative Program).

* * *

"Public passenger transportation." Transportation within an area that includes a municipality or other built-up place or a nonurbanized area which is appropriate, in the judgment of the Department of Transportation, for a public passenger transportation system to serve commuters or others in the locality, taking into consideration the local patterns and trends of urban or rural growth, by bus or rail or other conveyance, either publicly or privately owned, serving the general public. The term does not include exclusive ride, charter, group and party and sightseeing service, nonpublic transportation, school bus and private limousine services.

* * *

["Urban common carrier mass transportation." Transportation within an area that includes a municipality or other built-up place which is appropriate, in the judgment of the Department of Transportation, for a common carrier transportation system to serve commuters or others in the locality, taking into consideration the local patterns and trends of urban growth, by bus or rail or other conveyance, either publicly or privately

owned, serving the general public. The term does not include school buses or charter or sightseeing service.]

* * *

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

§ 1302. Program authorizations.

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

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

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

(i) For the purpose of studies, analysis, planning and development of programs for [urban common carrier mass] public passenger transportation service and facilities, and for the purpose of activities related to the planning, engineering and designing of specific projects which are a part of a comprehensive program, including, but not limited to, activities such as studies related to management, operations, capital requirements and economic feasibility, to the preparation of engineering and architectural surveys, plans and specifications and to other similar or related activities preliminary to and in preparation for the construction, acquisition or improved operation of [urban common

1 carrier mass] public passenger transportation systems,
2 facilities and equipment. State funding under this
3 subparagraph shall not exceed five-sixths of the non-
4 Federal share of the project costs.

5 (ii) To provide for research, development and
6 demonstration projects in all phases of [urban common
7 carrier mass] public passenger transportation, including
8 the development, testing and demonstration of new
9 facilities, equipment, techniques and methods, to assist
10 in the solution of urban or rural transportation
11 problems, in the improvement of [mass] public passenger
12 transportation service and the contribution of such
13 service toward meeting total urban and rural
14 transportation needs at minimum cost. State funding under
15 this subparagraph shall not exceed five-sixths of the
16 non-Federal share of the project costs.

17 (iii) To assist in providing grants to continue
18 necessary service to the public, to permit needed
19 improvements in service which are not self-supporting, to
20 permit service which may be socially desirable but
21 economically unjustified, and otherwise for any purpose
22 in furtherance of [urban common carrier mass] public
23 passenger transportation. The methodology for calculating
24 the amount of the grant under this subparagraph shall be
25 determined in accordance with section 1303. Each grant to
26 a Class 1 transit entity, to a Class 2 transit entity or
27 to a Class 3 transit entity made pursuant to this
28 paragraph shall be matched by local or private funding in
29 an amount not less than one-third of the total State
30 grant made pursuant to section 1303(b). Any grants to

1 Class 3 transit entities may, however, be matched by an
2 amount not less than the amount of local or private
3 funding which is specified in the State contract for the
4 1990-1991 fiscal year if the department shall have
5 received a certification from such Class 3 transit entity
6 that such lower level of local or private funding is
7 adequate to prevent significant service reductions or
8 passenger fare increases.

9 (3) To make grants to any transportation company or
10 companies for use in providing necessary service to the
11 public, to permit needed improvements in services which are
12 not self-supporting, to permit services which may be socially
13 desirable but economically unjustified, and otherwise for any
14 purpose in furtherance of [urban common carrier mass] public
15 passenger transportation. In view of the particular
16 sensitivity of special instrumentalities and agencies of the
17 Commonwealth created to serve or coordinate the local
18 transportation needs of substantial metropolitan areas, no
19 grant moneys may be used exclusively or principally in the
20 local service area of any such agency or instrumentality in
21 which a city or county of the first or second class has
22 membership, except in accordance with a system of priorities
23 agreed upon by the department and such agency or
24 instrumentality. In the case of a grant where the moneys
25 granted will be used for an activity to be conducted
26 exclusively or principally within the local service areas of
27 such agency or instrumentality, no grant moneys may be used
28 except in accordance with agreements by the department and
29 such agency or instrumentality with respect to such use. In
30 the case of a grant not falling within the scope of the

preceding sentence but where moneys granted will be used both within and without the local service area of such agency or instrumentality, the grant shall require that the routes, schedules and fares applicable only within such service areas shall be those mutually agreed upon by the department and such agency or instrumentality. No agreement referred to in this paragraph shall impair, suspend, reduce, enlarge or extend or affect in any manner the powers of the Pennsylvania Public Utility Commission or the Interstate Commerce Commission otherwise applicable by law. Each grant to a Class 1 transit entity, to a Class 2 transit entity [or], to a Class 3 transit entity or to a Class 4 transit entity made pursuant to this paragraph shall be matched by local or private funding in an amount not less than one-third of the total State grant made pursuant to section 1303(b). Any grants to Class 3 transit entities may, however, be matched by an amount not less than the amount of local or private funding which is specified in the State contract for the 1990-1991 fiscal year if the department shall have received a certification from such Class 3 transit entity that such lower level of local or private funding is adequate to prevent significant service reductions and/or passenger fare increases.

(4) In connection with privately or locally assisted capital projects or capital projects financed with private or local and Federal funds, to make grants for approved capital projects to a local transportation organization or a transportation company, including the acquisition, construction, reconstruction and improvement of facilities and equipment, buses and other rolling stock, and other real

1 or personal property, including land (but not public
2 highways), needed for an efficient and coordinated [mass]
3 public passenger transportation system for use, by operation,
4 lease or otherwise, in [urban common carrier mass] public
5 passenger transportation service and in coordinating such
6 service with highway and other transportation. No capital
7 project grant shall be made for the purpose of financing,
8 directly or indirectly, the acquisition of any interest in,
9 or the purchase of any facilities or other property of, a
10 private [urban common carrier mass] public passenger
11 transportation company. Each capital project shall be based
12 on a program or plan approved by the department. No capital
13 project grant shall exceed five-sixths of the non-Federal
14 share, subject, however, to the following specific
15 exceptions:

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

24 [(ii) If a capital project is eligible to receive
25 Federal financial assistance under the Urban Mass
26 Transportation Act of 1964 and if the project application
27 for such Federal financial assistance has been rejected
28 or delayed because of a lack of Federal funds or if the
29 normal amount of Federal grant cannot be provided because
30 of a lack of Federal funds and if the department has

1 determined that the capital project is essential and
2 should proceed without delay, department funds for such
3 capital project may be increased temporarily to finance
4 the entire net project cost, with the requirement that,
5 upon the availability of additional Federal funds and the
6 making to the capital project of a new or an additional
7 Federal grant, the amount of department funds in excess
8 of five-sixths of the non-Federal share be refunded to
9 the department or be applied as the department may direct
10 to help meet the department's share of the cost of
11 another project in which the department is a participant.

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

19 (iv) A transit entity may choose to use dedicated
20 funds allocated to it under sections 1310 (relating to
21 distribution of funding), 1310.1 (relating to
22 supplemental public transportation assistance funding),
23 1310.2 (relating to service stabilization and state of
24 good repair program) and 1310.3 (relating to Major
25 Capital Initiative Program) to increase the State share
26 of a project to twenty-nine thirtieths of the non-Federal
27 share of the project. Dedicated funds used for capital
28 projects that have a Federal share shall be considered a
29 part of the State share of the project.

30 (v) A transit entity may choose to accept less than

1 five-sixths of the non-Federal share from State funds,
2 either grant funds or dedicated funds, if the transit
3 entity has available resources from local or private
4 sources.

5 (vi) If a capital project is approved in a capital
6 budget enacted by the General Assembly and signed by the
7 Governor and if there is language in that act waiving or
8 modifying the share of the project to be paid by the
9 State, the Department of Transportation shall provide
10 funding at the level specified in the adopted capital
11 budget.

12 (vii) The match provisions of this subsection are
13 applicable to Class 1, 2, 3, 4 and 5 transit entities.

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

17 (6) To participate in a pooled bus acquisition program
18 with transportation companies or local transportation
19 organizations and the Federal Government for the purpose of
20 making buses available to transportation companies or local
21 transportation organizations for use in [urban common carrier
22 mass] public passenger transportation service, in accordance
23 with the following procedures:

24 (i) The department may apply to the [Urban Mass
25 Transportation] Federal Transit Administration of the
26 United States Department of Transportation for the
27 Federal share of any pooled-bus acquisition project.

28 (ii) The department may, with the assistance of the
29 Department of General Services or a special group
30 comprised of representatives of the transportation

1 companies or local transportation organizations within
2 the Commonwealth, write specifications for and order
3 buses on behalf of any number of transportation companies
4 or local transportation organizations desiring bus
5 acquisition under this program.

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

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

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

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

1 bidding.

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

10 § 1303. Annual appropriation and computation of subsidy.

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

17 (b) Distribution as grants.--The General Assembly shall
18 annually make an appropriation to the department for
19 distribution as grants to local transportation organizations and
20 transportation companies. The total amount of moneys
21 appropriated shall be distributed by the department as grants to
22 local transportation organizations and transportation companies
23 in accordance with the provisions of this section.

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

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

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

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

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

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

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

24 (C) Twenty-five percent of such excess shall be
25 distributed to Class 4 transit entities based upon
26 each transit entity's Class 4 revenue hour
27 percentage. The actual amount received by each Class
28 4 transit entity under this clause shall be
29 determined by multiplying a particular Class 4
30 transit entity's Class 4 revenue hour percentage

1 times 25% of such excess of the Class 4 transit
2 entity share.

3 (3) All Class 3 and 4 transit entities may utilize all
4 of the funds received pursuant to this section for any
5 purpose in furtherance of public transportation. Each grant
6 made to a Class 3 or 4 transit entity pursuant to this
7 section shall, however, be matched by local or private
8 funding in an amount not less than one-third of the total
9 State grant made pursuant to subsection (c). Additionally,
10 any grants to Class 3 and 4 transit entities may be matched
11 by an amount not less than the amount of local or private
12 funding which is specified in the State contract for the
13 1990-1991 fiscal year if the department shall have received a
14 certification from such Class 3 or 4 transit entity that such
15 lower level of local or private funding is adequate to
16 prevent significant service reductions or passenger fare
17 increases.

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

29 (ii) The department shall place all such returned
30 funds in a restricted fund to finance the capital and

operational expenses of new rural transportation systems created after the effective date of this section and that have previously received demonstration funds and operational expenses of major expansions of existing Class 4 transit entity systems. Such funds may be used for initial start-up expenses and operating costs for a new system or a major expansion for a period up to five years and may be supplemented, at the discretion of the department, with section 1310 project management oversight or planning, development, research, rural expansion and department-initiated program funds.

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

(iv) Funds provided to Class 4 transit entities under sections 1310, 1310.1 and 1310.2 are intended to supplement rather than supplant Federal funds available for rural transit services and projects. Where there is insufficient Federal funding to provide the maximum amount for which each system is eligible, the department shall attempt to impact all recipients of Federal funds equally and may use project management oversight or planning, development, research, rural expansion and department-initiated program funds available to the department or funds provided under subparagraphs (i),

1 (ii) and (iii) to remediate any imbalances resulting from
2 allocation of Federal funds.

3 (4) The department shall calculate the Class 1 transit
4 entity share, the Class 2 transit entity share and the Class
5 3 transit entity share for the fiscal year.

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

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

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

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

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

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

28 (I) Fifty percent of such excess shall be
29 distributed to Class 3 transit entities based
30 upon the percentage of all Class 3 transit entity

1 adjusted base grants given to Class 3 transit
2 entities which a particular Class 3 transit
3 entity received.

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

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

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

27 (d) New organizations.--Should a new local transportation
28 organization or transportation company be established and meet
29 the criteria of a Class 1 transit entity, Class 2 transit
30 entity, Class 3 transit entity or Class 4 transit entity as such

1 criteria are set forth in section 1301 (relating to
2 definitions), the department shall make an appropriate
3 determination as to the level of grant to which such local
4 transportation organization or transportation company shall be
5 entitled. This determination shall include, but shall not be
6 limited to, a determination as to an appropriate adjusted base
7 grant for that local transportation organization or
8 transportation company and a determination of appropriate
9 adjustments to class percentages or transit entity shares.

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

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

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

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

27 (2) In order to be eligible for the moneys described in
28 paragraph (1), each local transportation organization or
29 transportation company shall adopt an annual operating budget
30 for each fiscal year no later than the last day of the

1 preceding fiscal year. A copy of this operating budget shall
2 be submitted to the department within ten days after its
3 approval, along with a certification by the local
4 transportation organization or transportation company that
5 adequate revenues (including subsidies) are provided to
6 support operating costs and expenses.

7 (g) Standards and measures.--

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

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

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

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

30 (iv) Fiscal indicators (operating cost per

passenger; subsidy per passenger and operating ratio).

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

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

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

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

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

1 public at the time of issuance.

2 (5) The department may suspend the eligibility for
3 future discretionary transit grant funds of any transit
4 entity which fails to comply with the provisions of this
5 section. The department shall restore the discretionary
6 funding eligibility of a suspended transit entity at such
7 time as the requirements of this section are met in an
8 amended application received by the department.

9 (6) Notwithstanding any other provision of law, a Class
10 1 transit entity authorized by its enabling statute to
11 exercise the right of eminent domain for public
12 transportation purposes shall, when acquiring land by eminent
13 domain for any purpose permitted under this chapter and
14 financed in whole or in part under this chapter, be bound by
15 the requirement contained in section 2003 of the act of April
16 9, 1929 (P.L.177, No.175), known as The Administrative Code
17 of 1929, to demonstrate by clear and convincing evidence that
18 the activity contemplated on the site proposed to be
19 appropriated could not have been conducted economically at an
20 alternate location. In all cases, when acquiring land in any
21 manner permitted by its enabling statute, a Class I transit
22 entity must conduct a public hearing on the project for which
23 the land is to be acquired, either individually on the
24 project or as part of a hearing on its overall capital
25 budget, and the project must be included in a capital budget
26 submitted to the department in accordance with this chapter.
27 The land acquired for such public transportation purpose and
28 the transit project constructed thereon shall have the same
29 status in relation to the provisions of the act of July 31,
30 1968 (P.L.805, No.247), known as the Pennsylvania

1 Municipalities Planning Code, as land acquired by the
2 department for highway right-of-way purposes.

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

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

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

28 "Class 1 percentage." Seventy percent.

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

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

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

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

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

9 "Class 3 transit entity adjusted base grant." The State
10 subsidy which a Class 3 transit entity received during the 1990-
11 1991 fiscal year, including Federal funds transferred from other
12 local transportation organizations and transportation companies
13 from the Federal fiscal year 1989-1990 pursuant to the
14 Governor's apportionment allocation contained in the Urban Mass
15 Transportation Act of 1964.

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

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

27 "Class 4 revenue hour percentage." The percentage determined
28 by dividing the revenue hours of a Class 4 transit entity as
29 reported with respect to the most recent fiscal year in the most
30 recently issued Pennsylvania Rural and Small Urban Public

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

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

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

25 "Operating ratio." The proportion of total operating revenue
26 (which shall include all passenger, charter and advertising
27 revenue, fare reimbursement received from the State Lottery
28 Fund, State funding for asset maintenance and all other receipts
29 associated with the delivery of transit services, but shall
30 exclude Federal grants provided to cover operating losses and

1 State grants made pursuant to subsection (b)) divided by total
2 operating expenses associated with day-to-day operation of the
3 system [() but excluding depreciation of capital assets()].

4 "Operating revenue." The total revenue earned by a local
5 transportation organization or transportation company through
6 its transit operations, including, but not limited to, passenger
7 revenue, senior citizen grant, charter revenue, school contract
8 revenue, advertising, State funding for asset maintenance and
9 other revenue listed with respect to the most recent fiscal year
10 reported in the most recently issued Pennsylvania Mass Transit
11 Statistical Report.

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

20 § 1310. Distribution of funding.

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

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

30 (1) On or before the fifth day of each month, the

1 Treasury Department shall certify to the department the total
2 amount then available for distribution, and the department
3 shall make distribution of payments required under this
4 subsection on or before the 20th day of each month.

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

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

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

development, research, rural expansion and department-initiated programs.

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

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

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

(iii) Twenty-five percent of the monthly distribution of the Class 4 transit entity section 1310

1 share shall be distributed to Class 4 transit entities
2 based upon each transit entity's Class 4 revenue hour
3 section 1310 percentage. The actual amount received by
4 each Class 4 transit entity under this subparagraph shall
5 be determined by multiplying a particular Class 4 transit
6 entity's Class 4 [transit entity] revenue hour section
7 1310 percentage times the total amount available for
8 distribution under this subparagraph.

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

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

1 shall receive the entire Class 1 transit entity section
2 1310 share.

3 (ii) Each Class 2 transit entity shall receive a
4 prorata share of the Class 2 transit entity section 1310
5 share. If there is only one Class 2 transit entity, it
6 shall receive the entire Class 2 transit entity section
7 1310 share.

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

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

21 (B) Sixteen and sixty-seven hundredths percent
22 of the Class 3 transit entity section 1310 share
23 shall be distributed to Class 3 transit entities
24 based upon each transit entity's Class 3 vehicle hour
25 section 1310 percentage. The actual amount received
26 by each Class 3 transit entity under this clause
27 shall be determined by multiplying a particular Class
28 3 transit entity's Class 3 vehicle hour section 1310
29 percentage times the total amount available for
30 distribution under this clause.

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

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

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

1 (c) Change of classification.--If, during any fiscal year,
2 either the number of vehicles operated by a local transportation
3 organization or transportation company or the area served by
4 such a local transportation organization or transportation
5 company changes so that the local transportation organization or
6 transportation company meets the criteria for a different
7 transit entity class, as such criteria are set forth in section
8 1301 (relating to definitions), on or before July 15 of the
9 fiscal year which follows such a change and in each fiscal year
10 thereafter, the department shall reflect any change in the
11 transit entity class of such a local transportation organization
12 or transportation company in the Department of Transportation
13 certification for that and subsequent fiscal years. In its
14 calculation of the transit entity section 1310 shares for each
15 transit entity class required by subsection (g)(1) and the
16 transit entity [section 1310.1] sections 1310.1 and 1310.2
17 shares for each transit entity class required by subsection
18 (g)(1) for the fiscal year following the change in a local
19 transportation organization or transportation company's transit
20 entity class and thereafter, the department shall include the
21 amount of the transit entity sections 1310 [and 1310.1], 1310.1
22 and 1310.2 shares allocated to such a local transportation
23 organization or transportation company for the fiscal year prior
24 to the change in the transit entity class, in the transit entity
25 sections 1310 [and 1310.1], 1310.1 and 1310.2 shares for the new
26 transit entity class of such a local transportation organization
27 or transportation company, and shall delete an equal amount from
28 the transit entity sections 1310 [and 1310.1], 1310.1 and 1310.2
29 shares for the transit entity class for which such a local
30 transportation organization or transportation company no longer

1 meets the criteria in the new fiscal year. No local
2 transportation organization or transportation company which has
3 changed from one transit entity class to another due to either
4 an increase in the number of vehicles operated or the United
5 States Census Bureau's declaring its service area an urbanized
6 area shall receive less than the amount transferred on its
7 account by the department pursuant to this section[.] in the
8 first year after the transfer is made. Thereafter, the amount
9 initially transferred and made available to the local
10 transportation organization or transportation company shall be
11 adjusted each year by the same percentage that the transit
12 entity sections 1310, 1310.1 and 1310.2 shares for the new
13 transit entity class of such a local transportation organization
14 or transportation company increase or decrease during that year.

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

1 (2) Should a new local transportation organization or
2 transportation company be established and meet the criteria
3 of a Class 1 transit entity, Class 2 transit entity, Class 3
4 transit entity or Class 4 transit entity as such criteria are
5 set forth in this section and sections 1310.1 and 1310.2, the
6 department shall make an appropriate adjustment in its
7 calculation of the transit entity 1310 share, the 1310.1
8 share and the 1310.2 share for each transit entity class to
9 which such local transportation organization or
10 transportation company shall be entitled. This determination
11 shall include, but shall not be limited to, an appropriate
12 adjusted based grant for that local transportation
13 organization or transportation company and a determination of
14 appropriate adjustments to class percentages or transit
15 entity shares.

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

1 behalf of such organization or company. The department may
2 coordinate such audits in conjunction with audits undertaken by
3 the Auditor General.

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

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

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

14 (i) A description of any such project.

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

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

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

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

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

25 (vii) An explanation of any significant project
26 delays.

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

30 (ix) A multiyear plan for future use of funds

received under this section for a period of not less than five years.

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

(3) The asset maintenance spending plan shall include:

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

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

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

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

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

(5) The capital budget and the asset maintenance spending plan may be amended by formal action of the governing body of such local transportation organization or transportation company from time to time. Any amendments to

1 the capital budget and the asset maintenance spending plan
2 shall be transmitted to the department for its review, and
3 the department may make recommendations to the local
4 transportation organization or transportation company
5 concerning any amendments to the capital budget and the asset
6 maintenance spending plan.

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

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

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

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

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

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

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

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

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

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

13 (3) the amount of the planning, development, research,
14 rural expansion and department-initiated programs section
15 1310 share; and

16 (4) the amount of the Class 4 transit entity section
17 1310 share to be paid each month under subsection (b)(5).

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

21 "Class 2 transit entity section 1310 share." The product of
22 the Class 2 section 1310 percentage times the monthly Class 1 to
23 3 allocation.

24 "Class 3 transit entity section 1310 share." The product of
25 the Class 3 section 1310 percentage times the monthly Class 1 to
26 3 allocation.

27 "Class 4 transit entity section 1310 share." Four million
28 dollars during the 1991-1992 fiscal year and \$4,160,000 during
29 the 1992-1993 fiscal year. During the 1993-1994 through 1996-
30 1997 fiscal years, the term shall mean the Class 4 transit

1 entity section 1310 share for the prior fiscal year plus (or
2 minus) the product of the Class 4 transit entity section 1310
3 share for the prior fiscal year times the percentage increase or
4 decrease in the total funds available for distribution pursuant
5 to this section received by the Treasury Department in the most
6 recently completed fiscal year as compared with the prior fiscal
7 year. For the 1997-1998 fiscal year and each fiscal year
8 thereafter, the term shall mean 2.8% of the total amount of
9 capital project, asset maintenance and other program funds
10 projected by the department to be available under this section
11 for distribution during the subject fiscal year.

12 "Class 3 Federal operating cap percentage." The percentage
13 determined by dividing the Federal operating ceiling for a Class
14 3 transit entity by the total Federal operating ceilings for all
15 Class 3 transit entities.

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

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

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

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

19 "Class 4 operating assistance grant section 1310 percentage."
20 The percentage determined by dividing the Class 4 transit entity
21 adjusted base grant received by a Class 4 transit entity or,
22 only for purposes of calculating the distribution of funding
23 under section 1310.2 (relating to service stabilization and
24 state of good repair program), the amount received in the most
25 recent fiscal year prior to the effective date of this
26 definition from the planning, development, research, rural
27 expansion and department-initiated programs section 1310 shares
28 adjusted by the Department of Transportation to account for
29 Federal participation by the total Class 4 transit entity
30 adjusted base grants received pursuant to such act by all Class

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

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

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

23 "Community transportation program section 1310 share." One
24 million seven hundred thousand dollars during the 1991-1992
25 fiscal year, \$1,768,000 during the 1992-1993 fiscal year and,
26 during the 1993-1994 fiscal year and each fiscal year
27 thereafter, shall mean the community transportation program
28 section 1310 share for the prior fiscal year plus (or minus) the
29 product of the community transportation program section 1310
30 share for the prior fiscal year times the percentage increase or

1 decrease in the total funds available for distribution pursuant
2 to this section received by the Treasury Department in the most
3 recently completed fiscal year as compared with the prior fiscal
4 year. However, in any fiscal year in which the total funds
5 authorized to be expended from the State Lottery Fund for
6 purposes enumerated in section 1312 (relating to community
7 transportation programs) is less than \$600,000, the community
8 transportation program section 1310 share shall be increased so
9 that the sum of the community transportation program section
10 1310 share plus the total amount of such moneys paid from the
11 State Lottery Fund for purposes enumerated in section 1312 shall
12 equal \$2,300,000. The combined funding to any county for
13 community transportation under sections 1310 (relating to
14 distribution of funding) and 1312 shall not exceed \$250,000 in
15 any fiscal year.

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

30 "Department of Transportation certification." The

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

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

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

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

1 programs and special projects.

2 "Total passengers." The total of all revenue passengers plus
3 transfer passengers on second and successive rides of a local
4 transportation organization or transportation company, which are
5 funded in whole or in part by this part, with respect to the
6 most recent fiscal year reported in the most recently issued
7 Pennsylvania Mass Transit Statistical Report.

8 "Transportation enrichment funds." Funds provided through
9 either the Department of Transportation project management
10 oversight share or the planning, development, research, rural
11 expansion and department-initiated programs section 1310 share.

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

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

17 (1) The Department of Transportation project management
18 oversight share, the community transportation program
19 sections 1310 [and 1310.1], 1310.1, 1310.2 and 1310.3 shares,
20 the Class 1 transit entity sections 1310 [and 1310.1],
21 1310.1, 1310.2 and 1310.3 shares, the Class 2 transit entity
22 sections 1310 [and 1310.1], 1310.1, 1310.2 and 1310.3 shares,
23 the Class 3 transit entity sections 1310 [and 1310.1], 1310.1
24 and 1310.2 shares [and], the Class 4 transit entity sections
25 1310 [and 1310.1 shares], 1310.1 and 1310.2 shares, the Class
26 3 and Class 4 transit entities 1310.3 share and the Class 5
27 transit entity 1310.2 share [and], the planning, development,
28 research, rural expansion and department-initiated programs
29 sections 1310 and 1310.1 shares and the intercity passenger
30 rail service share.

1 (2) The names and addresses of each Class 1 transit
2 entity, Class 2 transit entity, Class 3 transit entity [and],
3 Class 4 transit entity and Class 5 transit entity and whether
4 such program or entity is a Class 1 transit entity, Class 2
5 transit entity, Class 3 transit entity [or], Class 4 transit
6 entity[.] or Class 5 transit entity and for a Class 3 transit
7 entity shall certify whether it is operating within the
8 boundaries of a separate Class 1 transit entity's or Class 2
9 transit entity's urbanized area for purposes of section
10 1310.2(b)(5)(iii).

11 (3) The vehicle miles of each Class 3 transit entity,
12 the total vehicle miles of all Class 3 transit entities, the
13 Class 3 vehicle mile sections 1310 and 1310.1 percentages for
14 each Class 3 transit entity, the vehicle hours of each Class
15 3 transit entity, total vehicle hours of all Class 3 transit
16 entities, the Class 3 vehicle hour sections 1310 and 1310.1
17 percentages for each Class 3 transit entity, total passengers
18 for each Class 3 transit entity, the total passengers for all
19 Class 3 transit entities, the Class 3 total passenger
20 sections 1310 and 1310.1 percentages for each Class 3 transit
21 entity, the Federal operating ceiling for each Class 3
22 transit entity, the Federal operating ceiling for all Class 3
23 transit entities, the Federal operating cap percentage for
24 each Class 3 transit entity, the State subsidy received
25 pursuant to section 1303 (relating to annual appropriation
26 and computation of subsidy) as described in the definition of
27 "Class 3 State operating grant percentage" for each Class 3
28 transit entity, the State subsidy received pursuant to
29 section 1303 as described in the definition of "Class 3 State
30 operating grant percentage" for all Class 3 transit entities,

[and] the Class 3 State grant percentage for each Class 3 transit entity[.], the amount of Federal formula funds received by each Class 3 transit entity during Federal fiscal year 2002-2003, the amount of Federal formula funds received by all Class 3 transit entities during Federal fiscal year 2002-2003, the amount of Federal formula funds to be received by each Class 3 transit entity during the year in which section 1310.2 funds are to be distributed, the amount of Federal formula funds to be received by all Class 3 transit entities during the year in which section 1310.2 funds are to be distributed, the Class 3 transit entity section 1310.2 Federal funding loss percentage for each Class 3 transit entity and the Class 3 transit entity section 1310.2 Federal funding loss for all Class 3 transit entities, the Class 3 section 1310.2 Federal funding loss percentage for the fiscal year, the Class 3 section 1310.2 system growth percentage, the Class 3 entity section 1310.2 fixed-route revenue vehicle hour percentage for each Class 3 transit entity, the Class 3 transit entity section 1310.2 fixed-route revenue vehicle hour percentage for all Class 3 transit entities, the Class 3 transit entity section 1310.2 total revenue vehicle hour percentage for each Class 3 transit entity, and the Class 3 transit entity section 1310.2 total revenue vehicle hour percentage for all Class 3 transit entities; the Class 4 transit entity Class 4 operating assistance grant section 1310 percentage; for each Class 4 transit entity the Class 4 transit entity revenue mile section 1310 percentage; the Class 4 transit entity revenue hour section 1310 percentage; the Class 5 total annual bus, minivan, sedan, station wagon, van and vehicle inventory values; the Class 5 section 1310.2

1 limited eligibility bus, minivan, sedan, station wagon, van
2 total annual bus, minivan, sedan, station wagon, van and
3 vehicle inventory values; and the limited eligibility Class 5
4 transit entity section 1310.2 bus, minivan, sedan, station
5 wagon, van and vehicle inventory values.

6 (4) The operating assistance grant received by each
7 Class 4 transit entity during fiscal year 1990-1991 pursuant
8 to the act of February 11, 1976 (P.L.14, No.10), known as the
9 Pennsylvania Rural and Intercity Common Carrier Surface
10 Transportation Assistance Act, the operating assistance grant
11 received by all Class 4 transit entities during fiscal year
12 1990-1991 pursuant to that act, the Class 4 operating
13 assistance grant sections 1310 and 1310.1 percentages for
14 each Class 4 transit entity, the revenue miles of each Class
15 4 transit entity, the revenue miles of all Class 4 transit
16 entities, the Class 4 revenue mile sections 1310 and 1310.1
17 percentages of each Class 4 transit entity, the revenue hours
18 for each Class 4 transit entity, the revenue hours for all
19 Class 4 transit entities and the Class 4 revenue hour
20 sections 1310 and 1310.1 percentages for each Class 4 transit
21 entity.

22 Section 3. Section 1310.1(a) of Title 74 and the definition
23 of "Class 4 operating assistance grant section 1310.1
24 percentage" in subsection (c) are amended to read:

25 § 1310.1. Supplemental public transportation assistance
26 funding.

27 (a) [General rule.--] Deposit of tax revenue.--

28 (1) Beginning July 1, 1997, through June 30, 2004, 1.22%
29 of the money collected from the tax imposed under Article II
30 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax

1 Reform Code of 1971, up to a maximum of \$75,000,000, shall be
2 deposited in the Supplemental Public Transportation Account,
3 which is established in the State Treasury. Within 30 days of
4 the close of a calendar month, 1.22% of the taxes received in
5 the prior calendar month shall be transferred to the account.
6 [No funds in excess of \$75,000,000 may be transferred to the
7 account in any one fiscal year.]

8 (2) Beginning July 1, 2004, 1.22% of the money collected
9 from the tax shall be deposited in the Supplemental Public
10 Transportation Account. Any funds allocated to the account
11 during a single fiscal year in excess of \$75,000,000 shall be
12 distributed according to the formula set forth in section
13 1310.2 (relating to service stabilization and state of good
14 repair program).

15 (3) The money in the account shall be used by the
16 department for supplemental public transportation
17 assistance[,] to be distributed under this section. Transit
18 entities may use supplemental assistance moneys for any of
19 the purposes enumerated in section 1311 (relating to use of
20 funds distributed). In addition to those enumerated purposes,
21 Class 1, 2 and 3 transit entities also may use the base
22 supplemental assistance share for general operations. Class 4
23 transit entities may use all supplemental assistance moneys
24 for general operations.

25 * * *

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

30 * * *

1 "Class 4 operating assistance grant section 1310.1
2 percentage." The percentage determined by dividing the Class 4
3 transit entity adjusted base grant received by a Class 4 transit
4 entity, as stated in the latest Department of Transportation
5 certification, or, only for purposes of calculating the
6 distribution of funding under section 1310.2 (relating to
7 service stabilization and state of good repair program), the
8 amount received in the most recent fiscal year prior to the
9 effective date of section 1310.2 from the planning, development,
10 research, rural expansion and department-initiated programs
11 section 1310 shares adjusted by the Department of Transportation
12 to account for Federal participation by the total Class 4
13 transit entity adjusted base grants received by all Class 4
14 transit entities during fiscal year 1990-1991, as stated in the
15 latest Department of Transportation certification[.] plus, only
16 for purposes of calculating the distribution of funding under
17 section 1310.2, the total Class 4 grants received in the most
18 recent fiscal year prior to the effective date of this
19 definition from the planning, development, research, rural
20 expansion and department-initiated programs section 1310 shares
21 adjusted by the Department of Transportation to account for
22 Federal participation for start-up and operations of transit
23 services by systems qualified as Class 4 transit entities.

24 * * *

25 Section 4. Title 74 is amended by adding sections to read:
26 § 1310.2. Service stabilization and state of good repair
27 program.

28 (a) Deposit of tax revenue.--

29 (1) Upon the effective date of this section, 3.3221% of
30 the tax imposed under Article II of the act of March 4, 1971

1 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall be
2 deposited in the Service Stabilization and State of Good
3 Repair Account, which is established in the State Treasury.
4 Within 30 days of the close of the calendar month, the taxes
5 received in the prior calendar month shall be transferred to
6 the account.

7 (2) The money in the account shall be used by the
8 department for the service stabilization and state of good
9 repair program. Transit entities may use service
10 stabilization and state of good repair funds to finance
11 public transportation services, stabilize service and fare
12 levels, maintain transportation vehicles and facilities in a
13 state of good repair, fund routine capital repair,
14 rehabilitation, replacement and expansion of vehicles and
15 facilities, asset maintenance programs and any other purpose
16 enumerated in section 1311 (relating to use of funds
17 distributed). A Class 1, Class 2, Class 3 or Class 4 transit
18 entity may use the entire section 1310.2 share allocated to
19 the transit entity for service stabilization or state of good
20 repair programs at the discretion of the transit entity after
21 notice of its plan for use of the funds, including a list of
22 capital projects to be funded, is submitted to the department
23 in accordance with section 1310.3(c)(i) (relating to major
24 capital initiative program). A Class 5 entity may use funds
25 as specified in section 1312(d) and (e) (relating to
26 community transportation programs).

27 (3) Except where provisions of this chapter permit
28 otherwise, funds provided in this section shall be matched by
29 local or private funds in an amount equal to at least one-
30 thirtieth of the project cost when funds are used for

operating purposes and by local or private funds in an amount equal to at least one-thirtieth of the non-Federal share when funds are used for capital purposes. For capital projects, dedicated funds under sections 1310 (relating to distribution of funding), 1310.1 (relating to supplemental public transportation assistance funding), 1310.3 and this section may be used in combination with funds provided through an approved State capital budget or with each other to fund up to twenty-nine-thirtieths of the non-Federal share.

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

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

(2) Each month, the Treasury Department shall transfer one-twelfth of intercity passenger rail service section 1310.2 percentage for that fiscal year into the General Fund. The moneys so transferred are hereby appropriated to the Department of Transportation for use by the department for expenses related to the support of intercity rail services throughout this Commonwealth pursuant to this section.

(3) Each month, the Treasury department shall transfer one-twelfth of the "jobs access/reverse commute project section 1310.2 share" for that fiscal year into the General Fund. The moneys so transferred are hereby appropriated to the Department of Transportation for use by that department for expenses related to the support of jobs access/reverse

1 commute projects. These funds shall be used to match Federal
2 funds provided for this purpose at a match ratio of \$1 of
3 State funds for each dollar of Federal funds. If the Federal
4 program changes the required match amount, funds provided
5 under this paragraph shall be provided to meet the new match
6 requirement. In any year in which the entire amount
7 appropriated under this paragraph is not needed to match
8 available Federal funds, the remainder shall be distributed
9 to Class 1, 2, 3, 4 and 5 transit entities under the formula
10 included in this section.

11 (4) Each month, the department shall distribute one-
12 twelfth of the Class 5 section 1310.2 percentage to Class 5
13 transit entities in the manner provided in this paragraph.
14 Each Class 5 transit entity shall receive a portion of each
15 monthly distribution of the Class 5 transit entity section
16 1310.2 percentage as follows:

17 (i) Class 5 transit entity annual total vehicle
18 share. Fifty percent of the monthly distribution of the
19 Class 5 section 1310.2 percentage shall be distributed
20 among all eligible Class 5 transit entities based upon
21 the formula below:

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

25 (I) the Class 5 section 1310.2 total annual
26 bus inventory value;

27 (II) the Class 5 section 1310.2 total annual
28 minivan inventory value;

29 (III) the Class 5 section 1310.2 total
30 annual sedan inventory value;

1 (IV) the Class 5 section 1310.2 total annual
2 station wagon inventory value;

3 (V) the Class 5 section 1310.2 total annual
4 van inventory value; and

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

7 (B) The department shall then calculate for each
8 eligible Class 5 transit entity:

9 (I) the Class 5 transit entity section
10 1310.2 total annual bus inventory;

11 (II) the Class 5 transit entity section
12 1310.2 total annual minivan inventory value;

13 (III) the Class 5 transit entity section
14 1310.2 total annual sedan inventory value;

15 (IV) the Class 5 transit entity section
16 1310.2 total annual station wagon inventory
17 value;

18 (V) the Class 5 transit entity section
19 1310.2 total annual van inventory value; and

20 (VI) the Class 5 transit entity section
21 1310.2 total annual vehicle inventory value,
22 which is the sum of subclauses (I) through (V).

23 (C) The department shall then divide each Class
24 5 transit entity section 1310.2 annual vehicle
25 inventory value calculated in clause (B) by the Class
26 5 section 1310.2 total annual vehicle inventory value
27 calculated in clause (A) to determine each Class 5
28 transit entity's total vehicle inventory percentage.

29 (D) The department shall then apply this
30 percentage to the total available for distribution

1 under subsection (b)(3)(i) and the result will be
2 distributed to each Class 5 transit entity as its
3 Class 5 transit entity total vehicle inventory share.

4 (ii) Limited eligibility Class 5 transit entity
5 annual vehicle share. Fifty percent of the monthly
6 distribution of the Class 5 section 1310.2 percentage
7 shall be distributed among limited eligibility Class 5
8 transit entities.

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

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

14 (II) the Class 5 section 1310.2 limited
15 eligibility annual minivan inventory value;

16 (III) the Class 5 section 1310.2 limited
17 eligibility annual sedan inventory value;

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

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

22 (VI) the Class 5 section 1310.2 limited
23 eligibility annual vehicle inventory value.

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

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

28 (II) the limited eligibility Class 5 transit
29 entity section 1310.2 annual minivan inventory
30 value;

1 (III) the limited eligibility Class 5
2 transit entity 1310.2 annual sedan inventory
3 value;

4 (IV) the limited eligibility Class 5 transit
5 entity section section 1310.2 annual station
6 wagon inventory value;

7 (V) the Class 5 transit entity section
8 1310.2 limited annual van inventory value; and

9 (VI) the limited eligibility Class 5 transit
10 entity section 1310.2 annual vehicle inventory
11 value, which is the sum of subclauses (I) through
12 (V).

13 (C) The department shall then divide each Class
14 5 transit entity section 1310.2 limited vehicle
15 inventory value calculated in clause (B) by the Class
16 5 section 1310.2 total limited vehicle inventory
17 value calculated in clause (A) to determine each
18 Class 5 transit entity's limited vehicle inventory
19 percentage.

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

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

29 (5) Each month, the department shall distribute one-
30 twelfth of the Class 4 transit entity section 1310.2

percentage to Class 4 transit entities in the manner provided in this paragraph. Each Class 4 transit entity shall receive a portion of each monthly distribution of the Class 4 transit entity section 1310.2 percentage in accordance with the formula defined in section 1310(b)(5).

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

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

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

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

(B) In any year in which the total loss of Federal formula funds distributed under 49 U.S.C. §

1 5307 experienced by all Class 3 transit entities
2 between the fiscal year prior to the fiscal year in
3 which the section 1310.2 funds are being distributed
4 and Federal fiscal year 2002-2003 is less than 10% of
5 the Class 3 transit entity section 1310.2 share, the
6 remainder of such funds shall be added to the system
7 growth set-aside and distributed under the formula in
8 subparagraph (iii).

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

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

26 (B) Fifty percent of the system growth set-aside
27 shall be distributed to each Class 3 transit entity
28 based on that transit entity's Class 3 section 1310.2
29 fixed-route revenue vehicle hour percentage. Every
30 Class 3 transit entity shall be deemed to have at

1 least a 10% increase in fixed-route revenue vehicle
2 hours during the relevant period. For Class 3 transit
3 entities operating within the boundaries of a
4 separate Class 1 transit entity's or Class 2 entity's
5 urbanized area, an additional 10% shall be added to
6 the growth rate calculated after applying the
7 calculation defined in this clause.

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

16 (7) Each month, the department shall distribute one-
17 twelfth of the Class 2 transit entity section 1310.2
18 percentage to Class 2 transit entities in the manner provided
19 in this paragraph. Each Class 2 transit entity shall receive
20 a pro rata share of the Class 2 transit entity section 1310.2
21 percentage. If there is only one Class 2 transit entity, it
22 shall receive the entire Class 2 transit entity section
23 1310.2 percentage.

24 (8) Each month, the department shall distribute one-
25 twelfth of the Class 1 transit entity section 1310.2
26 percentage to Class 1 transit entities in the manner provided
27 in this paragraph. Each Class 1 transit entity shall receive
28 a pro rata percentage of the Class 1 transit entity section
29 1310.2 percentage. If there is only one Class 1 transit
30 entity, it shall receive the entire Class 1 transit entity

1 section 1310.2 percentage.

2 (c) Alternative means of raising revenue or reducing
3 expenses.--

4 (1) In conjunction with the use of funds allocated under
5 the authority of this section for purposes of service
6 stabilization and in order to maximize the benefit of such
7 funds, a transit entity shall explore alternative means of
8 raising revenue, including, but not limited to, real estate
9 leases and rentals, equipment leases and rentals, contracting
10 of services, the solicitation of competitive bids and
11 awarding of contracts to the highest responsible bidder for
12 both interior and exterior advertising on all transit entity
13 equipment on which the public is charged a fare for riding.

14 (2) Notwithstanding any other provision of law, a
15 transit entity may, at the option of its governing board,
16 include the use of advertising on rail vehicles, both
17 interior and exterior.

18 (3) Any activity undertaken in conformance with this
19 section or any other provision concerning the use of
20 alternative means of raising revenue shall and will be, in
21 all respects and for all purposes, the performance of an
22 essential governmental function conducted in furtherance of
23 the public purposes of the transit entity and within the
24 powers granted to it and any immunities which it enjoys. No
25 activity undertaken in conformance with this section or any
26 other provision concerning the use of alternative means of
27 raising revenue shall subject a transit entity to pay any
28 property taxes or assessments of any kind or nature
29 whatsoever, now in existence or to be enacted in the future,
30 whether imposed by the Commonwealth or by any political

1 subdivision thereof, or by any other taxing authority.

2 (4) In no event shall a transit entity be required to
3 pay any taxes or assessments of any kind whatsoever upon any
4 property or the income therefrom acquired or used or
5 permitted to be used for the purposes of this section.

6 (d) Definitions.--As used in this section, the following
7 words and phrases shall have the meanings given to them in this
8 subsection. Any term used in this section but not defined in
9 this subsection shall have the meaning given in section 1301
10 (relating to definitions), 1310(f) (relating to distribution of
11 funding) or 1310.1(c) (relating to supplemental public
12 transportation assistance funding), depending on where it
13 appears.

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

29 "Class 1 section 1310.2 percentage." Sixty-one point eight
30 percent.

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

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

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

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

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

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

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

1 growth percentage.

2 "Class 3 transit entity section 1310.2 Federal funding loss
3 percentage." The number derived by subtracting the amount of
4 funds received by each Class 3 transit entity that has been
5 subjected to a cut in Federal formula funds distributed under 49
6 U.S.C. § 5307 (relating to urbanized area formula grants) in the
7 fiscal year prior to the fiscal year in which the section 1310.2
8 funds are being distributed from the amount of funds received by
9 that Class 3 transit entity during Federal fiscal year 2002-
10 2003, divided by the total reduction in Federal formula funds
11 for all Class 3 transit entities subjected to such a loss
12 between the fiscal year prior to which the section 1310.2 funds
13 are being distributed and Federal fiscal year 2002-2003.

14 "Class 3 transit entity section 1310.2 fixed-route revenue
15 vehicle hour percentage." The number derived by subtracting a
16 Class 3 transit entity's fixed-route revenue vehicle hours
17 operated during fiscal year 1990-1991 from the fixed-route
18 revenue vehicle hours operated by that Class 3 transit entity
19 during the fiscal year two years prior to the fiscal year for
20 which funding is being distributed and dividing that figure by
21 the number derived by subtracting the total fixed-route revenue
22 vehicle hours operated by all Class 3 transit entities during
23 the fiscal year 1990-1991 from the total fixed-route revenue
24 vehicle hours of service operated by all Class 3 transit
25 entities during the fiscal year two years prior to the fiscal
26 year for which funding is being distributed, except that every
27 Class 3 transit entity shall be deemed to have at least a 10%
28 increase in total fixed-route revenue vehicle hours and all
29 Class 3 transit entities operating within the boundaries of a
30 separate Class 1 transit entity's or Class 2 transit entity's

1 urbanized area shall be credited an additional 10% of growth
2 prior to performing the calculation. Data is to be based upon
3 information published in the most recent Department of
4 Transportation statistical report.

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

25 "Class 4 section 1310.2 percentage." Two point three
26 percent. Each Class 4 transit entity that is a recipient of
27 these funds may use the funds for either service stabilization
28 or capital projects at its discretion so long as the
29 requirements of section 1311 (relating to use of funds
30 distributed) are met.

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

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

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

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

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

"Class 5 section 1310.2 limited eligibility annual vehicle inventory value." For a given year, the total of the Class 5 section 1310.2 limited annual bus inventory value, the Class 5 section 1310.2 limited annual minivan inventory value, the Class 5 section 1310.2 limited annual sedan inventory value, the Class 5 section 1310.2 limited annual station wagon inventory value and the Class 5 section 1310.2 limited annual van inventory value.

"Class 5 section 1310.2 percentage." Four point five percent Each Class 5 transit entity that is a recipient of these funds may use the funds for capital projects and for asset maintenance and emergency situation recovery to the extent permitted by section 1312 (relating to community transportation programs).

"Class 5 section 1310.2 total annual bus inventory value." The total number of all qualified buses reported to the Department of Transportation on the most recently submitted vehicle inventory report multiplied by the value designated for that type of vehicle by the department.

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

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

"Class 5 section 1310.2 total annual station wagon inventory value." The total number of all qualified station wagons

1 reported to the Department of Transportation on the most
2 recently submitted vehicle inventory report multiplied by the
3 value designated for that type of vehicle by the department.

4 "Class 5 section 1310.2 total annual van inventory value."

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

9 "Class 5 section 1310.2 total annual vehicle inventory
10 value." For a given year, the total of the Class 5 section
11 1310.2 total annual bus inventory value, the Class 5 section
12 1310.2 total annual minivan inventory value, the Class 5 section
13 1310.2 total annual sedan inventory value, the Class 5 section
14 1310.2 total annual station wagon inventory value and the Class
15 5 section 1310.2 total annual van inventory value.

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

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

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

1 section 1310.2 total annual minivan inventory value.

2 "Class 5 transit entity section 1310.2 total annual sedan
3 inventory value." The total number of all qualified sedans
4 reported by an individual Class 5 transit entity 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 divided by the Class 5
8 section 1310.2 total annual sedan inventory value.

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

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

24 "Class 5 transit entity section 1310.2 annual vehicle
25 inventory value." For each Class 5 transit entity, for a given
26 year, the sum of the total Class 5 transit entity section 1310.2
27 annual bus inventory value, the total Class 5 transit entity
28 section 1310.2 annual minivan inventory value, the total Class 5
29 transit entity section 1310.2 annual sedan inventory value, the
30 total Class 5 transit entity section 1310.2 annual station wagon

inventory value and the total Class 5 transit entity section
1310.2 annual van inventory value.

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

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

"Intercity passenger rail service section 1310.2 percentage."
Three point four percent.

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

"Jobs access/reverse commute project." A project funded by
the Federal Transit Administration under the provisions of 49
U.S.C. § 5309 (relating to discretionary grants and loans)
related to the development or operation of transportation
services designed to transport welfare recipients and eligible
low-income individuals to and from jobs and activities related
to their employment or to transport residents of urban areas,
urbanized areas and areas other than urbanized areas to suburban

1 workplaces.

2 "Jobs access/reverse commute project section 1310.2 share."

3 Ten million dollars.

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

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

23 "Limited eligibility Class 5 transit entity section 1310.2
24 annual minivan inventory value." The total number of qualified
25 minivans 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 sedan inventory value." The total number of qualified
3 sedans 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 sedan
8 inventory value.

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

17 "Limited eligibility Class 5 transit entity section 1310.2
18 annual van inventory value." The total number of all qualified
19 vans reported by an individual limited eligibility Class 5
20 transit entity 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 divided by the Class 5 section 1310.2 limited annual van
24 inventory value.

25 "Limited eligibility Class 5 transit entity section 1310.2
26 annual vehicle inventory value." For each limited eligibility
27 Class 5 transit entity, for a given year, the sum of the limited
28 eligibility Class 5 transit entity section 1310.2 annual bus
29 inventory value, the limited eligibility Class 5 transit entity
30 section 1310.2 annual minivan inventory value, the limited

eligibility Class 5 transit entity section 1310.2 annual sedan inventory value, the limited eligibility Class 5 transit entity section 1310.2 annual station wagon inventory value and the limited eligibility Class 5 transit entity section 1310.2 annual van inventory value.

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

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

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

"State of good repair programs." Investment designed to ensure an existing transit entity remains in safe, operational, attractive condition, including, but not limited to, capital projects, vehicle overhaul, asset maintenance, infrastructure safety and renewal projects and environmental cleanup.

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

"Vehicle inventory report." A listing of all vehicles used by Class 5 transit entities, by vehicle type, in a given year which must be submitted to the Department of Transportation in

1 the format specified by the department to qualify as a recipient
2 for section 1310.2 Class 5 funding.

3 § 1310.3. Major Capital Initiative Program.

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

16 (b) Distribution procedure.--During each fiscal year, major
17 capital initiative program funds shall be distributed as
18 follows:

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

24 (2) Each month, the department shall distribute one-
25 twelfth of the Class 1 transit entity section 1310.3
26 percentage available during the fiscal year in which it is
27 distributed to Class 1 transit entities in the manner
28 provided in this paragraph. Each Class 1 transit entity shall
29 receive a pro rata share of the Class 1 transit entity
30 section 1310.3 percentage. If there is only one Class 1

1 transit entity, it shall receive the entire Class 1 transit
2 entity section 1310.3 percentage.

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

12 (4) Each month, the department shall distribute one-
13 twelfth of the Class 3 and Class 4 transit entity section
14 1310.3 percentage available during the fiscal year in which
15 it is distributed to the department. The department shall
16 further distribute the funds to each Class 3 or Class 4
17 transit entity that has a Major Capital Initiative Project
18 included in the approved Major Capital Initiative Program
19 plan for the fiscal year during which the funds are being
20 distributed. Each Class 3 and Class 4 transit entity that
21 receives major capital initiative funds under this subsection
22 shall each month receive a percentage of the one-twelfth of
23 the Class 3 and Class 4 transit entity section 1310.3
24 percentage being distributed that is equal to the percentage
25 its approved project represents of the total Major Capital
26 Initiative Program for Class 3 and Class 4 transit entities
27 approved for that fiscal year by the department.

28 (c) Program requirements.--

29 (1) The department shall develop an application process
30 and criteria to evaluate requests for section 1310.3 major

1 capital initiative program funds submitted by Class 3 and
2 Class 4 transit entities. The application process and
3 criteria shall be the same for both classes, and projects
4 submitted by Class 3 and Class 4 transit entities shall be
5 considered as one pool for purposes of evaluation.

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

20 (3) Each year, by January 30, any Class 3 or Class 4
21 transit entity that wishes to receive funds from the Class 3
22 and Class 4 major capital initiative section 1310.3
23 percentage during the following fiscal year shall submit to
24 the department an application for such funds, including such
25 information and in such form as the department shall require,
26 except that a transit entity that wishes to receive major
27 capital initiative funding during a period that exceeds one
28 year shall only be required to submit a full application
29 during the first year it seeks funds. Thereafter, it need
30 only submit a progress report, an accounting of the funds

1 spent and an estimate of the funding needed during the
2 upcoming fiscal year.

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

18 (5) All moneys distributed pursuant to section 1310.3
19 shall be matched by local or private funding in an amount
20 equal to at least one-thirtieth of the total project cost.
21 Notwithstanding the above match requirement, however, a Class
22 3 or Class 4 system may provide a lower level of local or
23 private funding match, if and as approved by the department
24 so long as the local or private funding equals at least one-
25 thirtieth of the non-Federal share of the project.

26 (d) Definitions.--As used in this section, the following
27 words and phrases shall have the meanings given to them in this
28 subsection. Any term used in this section but not defined in
29 this subsection shall have the meaning given in section 1301,
30 1310(f), 1310.1(c) or 1310.2(c), depending on where it appears:

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

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

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

5 "Federal New Start Program." The funding program authorized
6 in 49 U.S.C. § 5309 (relating to capital investment grants and
7 loans), permitting the Secretary of Transportation to make
8 grants and loans for capital projects for new fixed guideway
9 systems and extensions to existing fixed guideway systems, in
10 accordance with the guidelines specified in 49 U.S.C. § 5309(e).

11 "Major capital initiative." A major capital project or
12 program of projects designed to significantly expand or enhance
13 an existing transit system for which funding under section 1310,
14 1310.1 or 1310.2 programs is insufficient, including, but not
15 limited to, the establishment of a new fixed guideway line or
16 system or extension of a fixed guideway line or system under the
17 Federal New Start Program; major construction or reconstruction
18 of facilities; major fleet replacement; significant fleet
19 expansion or other major capital projects.

20 § 1310.4. Keystone Initiative.

21 (a) General rule.--Upon the effective date of this section,
22 0.378% of the money collected from the tax imposed under Article
23 III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
24 Reform Code of 1971, shall be dedicated to the Keystone
25 Initiative and shall be allocated to the Department of
26 Transportation and expended for the purpose of bringing the
27 Keystone Corridor into a state of good repair, maintaining it in
28 such a state and making improvements if the level of funding
29 exceeds the amount needed to maintain a state of good repair.

30 (b) Eligible projects.--Eligible projects include repair and

improvement to all facets of the Keystone Corridor, including, but not limited to, track, track bed, catenary, power distribution, signals, stations and parking. Projects may benefit intercity and commuter rail systems operating in the Keystone Corridor.

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

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

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

"Keystone Corridor." The rail line between Harrisburg,

1 Pennsylvania and Philadelphia, Pennsylvania, including all
2 facilities and stations within that distance.

3 "Rail system." A system operating passenger service on the
4 Keystone Corridor, including both intercity passenger service
5 and commuter rail service.

6 Section 5. Section 1311(b), (d) and (e)(3) of Title 74 are
7 amended and the section is amended by adding a subsection to
8 read:

9 § 1311. Use of funds distributed.

10 * * *

11 (b) Funding purposes enumerated.--Moneys distributed
12 pursuant to [section 1310] sections 1310, 1310.1 (relating to
13 supplemental public transportation assistance funding), 1310.2
14 (relating to service stabilization and state of good repair
15 program) and 1310.3 (relating to Major Capital Initiative
16 Program) shall be used by local transportation organizations and
17 transportation companies for purposes of paying:

18 (1) all costs of capital projects, including, without
19 limitation, the costs of acquisition, construction,
20 installation, start-up costs of operations, improvement and
21 all work and materials incident thereto, provided that funds
22 expended for capital projects pursuant to [section 1310]
23 sections 1310, 1310.1, 1310.2 and 1310.3 shall be matched by
24 local or private funding in an amount equal to at least one-
25 thirtieth of the [project cost] non-Federal share;

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

30 (3) to the extent permitted by this section, asset

1 maintenance costs. Community transportation programs shall
2 use moneys distributed pursuant to this section only for
3 purposes enumerated in section 1312 (relating to community
4 transportation programs).

5 (b.1) Utilization of funds.--All Class 3 and 4 transit
6 entities may utilize all of the funds received pursuant to
7 section 1310, 1310.1 or 1310.2 for any purpose in furtherance of
8 public transportation, including capital, asset maintenance and
9 operating.

10 * * *

11 (d) Management of funds.--

12 (1) Each local transportation organization or
13 transportation company receiving moneys pursuant to sections
14 1310 and 1310.1 [(relating to supplemental public
15 transportation assistance funding)] shall hold such moneys in
16 an account separate from other funds of the local
17 transportation organization or transportation company and
18 shall invest such moneys until such funds are used in
19 accordance with this section, with such funds being invested
20 in accordance with the limits on investment of the local
21 transportation organization or transportation company.

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

26 (2) All moneys distributed pursuant to [section 1310]
27 sections 1310, 1310.1 and 1310.2 and utilized for asset
28 maintenance under subsection (e) shall be matched by local or
29 private funding in an amount equal to at least 1/30 of the
30 amount expended for such purposes, except that, in the case

1 of Class 3 and 4 transit entities, no matching funds shall be
2 required if the department shall have received from the local
3 governmental funding source which would otherwise provide the
4 matching funds a certification that compliance with the
5 matching requirement would create an undue financial burden
6 upon the local governmental funding source such that a
7 curtailment of government services endangering public health
8 and safety would ensue. Funds allocated to a Class 5 entity
9 under section 1310.2 and utilized by that Class 5 transit
10 entity for asset maintenance under section 1312 shall be
11 matched by local or private funding in an amount equal to at
12 least one-thirtieth of the amount expended for such purposes,
13 except that no matching funds shall be required for funds
14 utilized by a Class 5 transit entity for asset maintenance
15 under section 1312 if the county in which the Class 5 transit
16 entity is operating, provided that the county that subsidizes
17 the service, or the nongovernmental entity that provides the
18 largest amount of funds to the Class 5 transit entity and the
19 board of the Class 5 transit entity provide a certification
20 that compliance with the matching requirement would create an
21 undue financial burden such that essential services of the
22 county or nongovernmental entity would be curtailed.

23 [(3) All moneys distributed pursuant to section 1310.1
24 and utilized under this section shall be matched by local or
25 private funding in an amount equal to at least 1/30 of the
26 amount expended for such purposes, except that, in the case
27 of Class 3 and 4 transit entities, no funds utilized for
28 asset maintenance under subsection (e) shall require a local
29 match if the department shall have received from the local
30 governmental funding source which would otherwise provide the

1 matching funds a certification that compliance with the
2 matching requirement would create an undue financial burden
3 upon the local governmental funding source such that a
4 curtailment of government services endangering public health
5 and safety would ensue.]

6 (e) Asset maintenance.--

7 * * *

8 (3) On or before March 1 of each year, the department
9 shall certify to each local transportation organization or
10 transportation company the amount of capital project, asset
11 maintenance, base supplemental assistance and other program
12 funds which the department estimates each local
13 transportation organization or transportation company will be
14 entitled to receive during the ensuing fiscal year. Each
15 local transportation organization or transportation company
16 may expend moneys distributed pursuant to sections 1310 and
17 1310.1 shares to fund asset maintenance costs up to the
18 following maximum percentages of the estimate from the
19 department, including accrued interest, the amount received
20 during the prior fiscal year or the amount actually received
21 in the current fiscal year, whichever is greater:

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

25 (ii) Class 2 [and 3] transit entities may utilize
26 for asset maintenance costs up to a maximum of 50% of the
27 funds received pursuant to sections 1310 [and 1310.1],
28 1310.1 and 1310.2.

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

1 received pursuant to sections 1310 and 1310.1.]

2 * * *

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

5 § 1312. Community transportation programs.

6 * * *

7 (d) Class 5 transit entities.--A Class 5 transit entity may
8 use all of its section 1310.2 funds for capital purposes, or at
9 its option a limited eligibility Class 5 transit entity may use
10 up to 50% of funds received pursuant to section 1310.2 (relating
11 to service stabilization and state of good repair program) for
12 asset maintenance purposes. In any year in which a limited
13 eligibility Class 5 transit entity incurs a loss of passenger
14 revenue and/or subsidy provided on the basis of number of
15 passengers carried as a result of severe weather conditions or
16 another extreme emergency, as determined by the department, that
17 system may apply a sufficient portion of the funds it receives
18 pursuant to section 1310.2 and which are eligible for use for
19 asset maintenance purposes to cover the additional and/or
20 unsubsidized expenses that it incurred as a result of such
21 emergency. A Class 5 transit entity shall certify to the
22 department each year, as part of its application, that the
23 section 1310.2 funds made available to that Class 5 transit
24 entity shall not be used to replace previously available funding
25 provided by another source, including, but not limited to, the
26 Medical Assistance Transportation Program.

27 § 1315. Public transportation grants management accountability.

28 * * *

29 (g) Procurement.--A transit entity that receives funding
30 under this chapter may participate in, sponsor, conduct or

administer a cooperative purchasing agreement for the procurement of supplies, services, equipment or construction with one or more transit entity or other public procurement unit or with a mass transit entity or external procurement unit not located in this Commonwealth consistent with the provisions of 62 Pa.C.S. Ch. 19 (relating to intergovernmental relations). Where Federal funds provide a portion of the funds to implement such a purchase, a transit entity must also comply with any Federal procurement requirements that exceed those contained in 62 Pa.C.S. Ch. 19.

Section 7. Title 75 is amended by adding a section to read:
§ 3315. Special traffic rules.

(a) Passing and overtaking streetcars.--

(1) Notwithstanding any other provision in this subchapter, the driver of a vehicle may not overtake and pass to the left of a streetcar proceeding in the same direction, whether the streetcar is actually in motion or temporarily halted to receive or discharge passengers, if overtaking or passing requires driving in a lane normally used by traffic moving in the opposite direction.

(2) The driver of a vehicle may not overtake and pass a streetcar which has stopped to receive or discharge passengers on the side on which the passengers board or alight until the doors of the streetcar are closed and passengers who are discharged have reached the side of the highway onto which they are discharged.

(3) This subsection shall not apply to those locations where streetcars are operating on tracks which are located within a median section of the roadway, when that median section is separated from the roadway by curbs or physical

1 barriers.

2 (b) Right-of-way of certain public transportation vehicles
3 reentering traffic.--

4 (1) Notwithstanding any other provision in this
5 subchapter, the driver of a nonemergency vehicle shall yield
6 the right-of-way to any public transportation vehicle,
7 provided that:

8 (i) The driver operates a vehicle that is in a
9 position to overtake the bus from its rear.

10 (ii) The bus, after exiting an active traffic lane
11 for the purpose of stopping to receive or discharge
12 passengers, attempts to reenter the lane from which it
13 exited and to enter the traffic lane occupied by the
14 driver by signaling its intention to do so. No other lane
15 changes shall be permitted.

16 (2) The department in cooperation with public
17 transportation systems throughout this Commonwealth, shall
18 conduct a public education program to inform motorists of the
19 requirements imposed by this section relating to bus rights-
20 of-way.

21 (c) Definition.--As used in this section, the term "public
22 transportation vehicle" means and includes all autobuses of
23 whatever size or configuration operated by or under contract for
24 any public transportation system subject to 74 Pa.C.S. Pt. II
25 (relating to public transportation), so long as the vehicle
26 clearly identifies that it is operated by or on behalf of the
27 public transportation system.

28 Section 8. This act shall take effect immediately.