
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 301 Session of
2005

INTRODUCED BY GREENLEAF, LOGAN, PILEGGI, PIPPY, TOMLINSON,
TARTAGLIONE, WONDERLING, CONTI, COSTA, STACK, KITCHEN,
C. WILLIAMS AND RAFFERTY, FEBRUARY 15, 2005

REFERRED TO TRANSPORTATION, FEBRUARY 15, 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
23 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 * * *

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

15 * * *

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

23 * * *

24 "Non-Federal share." The portion of a capital project not
25 covered by a Federal grant or loan, regardless of the percentage
26 of the total project cost covered by the Federal grant or loan
27 or the Federal to non-Federal match ratio included in Federal
28 statutes governing the project if the actual Federal to non
29 Federal match ratio is different than that identified in the
30 governing statute. Where no Federal funds are provided for the

1 project, the non-Federal share is the entire project cost. The
2 term shall apply to capital projects for which State funding is
3 provided under any section of this title, including, but not
4 limited to sections 1302 (relating to program authorizations),
5 1310 (relating to distribution of funding), 1310.1 (relating to
6 supplemental public transportation assistance funding), 1310.2
7 (relating to service stabilization and state of good repair
8 program) and 1310.3 (relating to Major Capital Initiative
9 Program).

10 * * *

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

22 * * *

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

1 school buses or charter or sightseeing service.]

2 * * *

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

5 § 1302. Program authorizations.

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

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

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

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

1 facilities and equipment. State funding under this
2 subparagraph shall not exceed five-sixths of the non-
3 Federal share of the project costs.

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

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

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

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

1 within and without the local service area of such agency or
2 instrumentality, the grant shall require that the routes,
3 schedules and fares applicable only within such service areas
4 shall be those mutually agreed upon by the department and
5 such agency or instrumentality. No agreement referred to in
6 this paragraph shall impair, suspend, reduce, enlarge or
7 extend or affect in any manner the powers of the Pennsylvania
8 Public Utility Commission or the Interstate Commerce
9 Commission otherwise applicable by law. Each grant to a Class
10 1 transit entity, to a Class 2 transit entity [or], to a
11 Class 3 transit entity or to a Class 4 transit entity made
12 pursuant to this paragraph shall be matched by local or
13 private funding in an amount not less than one-third of the
14 total State grant made pursuant to section 1303(b). Any
15 grants to Class 3 transit entities may, however, be matched
16 by an amount not less than the amount of local or private
17 funding which is specified in the State contract for the
18 1990-1991 fiscal year if the department shall have received a
19 certification from such Class 3 transit entity that such
20 lower level of local or private funding is adequate to
21 prevent significant service reductions and/or passenger fare
22 increases.

23 (4) In connection with privately or locally assisted
24 capital projects or capital projects financed with private or
25 local and Federal funds, to make grants for approved capital
26 projects to a local transportation organization or a
27 transportation company, including the acquisition,
28 construction, reconstruction and improvement of facilities
29 and equipment, buses and other rolling stock, and other real
30 or personal property, including land (but not public

1 highways), needed for an efficient and coordinated [mass]
2 public passenger transportation system for use, by operation,
3 lease or otherwise, in [urban common carrier mass] public
4 passenger transportation service and in coordinating such
5 service with highway and other transportation. No capital
6 project grant shall be made for the purpose of financing,
7 directly or indirectly, the acquisition of any interest in,
8 or the purchase of any facilities or other property of, a
9 private [urban common carrier mass] public passenger
10 transportation company. Each capital project shall be based
11 on a program or plan approved by the department. No capital
12 project grant shall exceed five-sixths of the non-Federal
13 share, subject, however, to the following specific
14 exceptions:

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

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

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

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

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

29 (v) A transit entity may choose to accept less than
30 five-sixths of the non-Federal share from State funds,

1 either grant funds or dedicated funds, if the transit
2 entity has available resources from local or private
3 sources.

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

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

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

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

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

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

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

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

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

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

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

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

9 § 1303. Annual appropriation and computation of subsidy.

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

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

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

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

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

30 (i) From the Class 4 transit entity share, each

1 Class 4 transit entity shall first receive an amount
2 equal to 100% of its Class 4 transit entity adjusted base
3 grant.

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

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

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

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

1 entity share.

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

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

28 (ii) The department shall place all such returned
29 funds in a restricted fund to finance the capital and
30 operational expenses of new rural transportation systems

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

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

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

1 allocation of Federal funds.

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

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

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

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

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

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

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

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

1 entities which a particular Class 3 transit
2 entity received.

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

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

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

26 (d) New organizations.--Should a new local transportation
27 organization or transportation company be established and meet
28 the criteria of a Class 1 transit entity, Class 2 transit
29 entity, Class 3 transit entity or Class 4 transit entity as such
30 criteria are set forth in section 1301 (relating to

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

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

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

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

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

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

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

6 (g) Standards and measures.--

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

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

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

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

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

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

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

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

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

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

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

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

1 department for highway right-of-way purposes.

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

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

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

27 "Class 1 percentage." Seventy percent.

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

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

30 "Class 1 to 3 allocation." The total amount appropriated

1 under subsection (b) less the Class 4 transit entity share.

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

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

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

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

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

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

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

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

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

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

1 operating expenses associated with day-to-day operation of the
2 system [() but excluding depreciation of capital assets()].

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

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

19 § 1310. Distribution of funding.

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

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

29 (1) On or before the fifth day of each month, the
30 Treasury Department shall certify to the department the total

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

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

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

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

1 initiated programs.

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

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

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

28 (iii) Twenty-five percent of the monthly
29 distribution of the Class 4 transit entity section 1310
30 share shall be distributed to Class 4 transit entities

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

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

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

1 1310 share.

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

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

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

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

30 (C) Sixteen and sixty-six hundredths percent of

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

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

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

30 (c) Change of classification.--If, during any fiscal year,

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

1 transportation organization or transportation company which has
2 changed from one transit entity class to another due to either
3 an increase in the number of vehicles operated or the United
4 States Census Bureau's declaring its service area an urbanized
5 area shall receive less than the amount transferred on its
6 account by the department pursuant to this section[.] in the
7 first year after the transfer is made. Thereafter, the amount
8 initially transferred and made available to the local
9 transportation organization or transportation company shall be
10 adjusted each year by the same percentage that the transit
11 entity sections 1310, 1310.1 and 1310.2 shares for the new
12 transit entity class of such a local transportation organization
13 or transportation company increase or decrease during that year.

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

30 (2) Should a new local transportation organization or

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

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

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

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

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

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

13 (i) A description of any such project.

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

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

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

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

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

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

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

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

1 five years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 percent.

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

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

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

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

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

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

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

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

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

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

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

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

30 "Class 3 total passenger section 1310 percentage." The

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

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

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

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

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

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

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

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

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

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

29 "Department of Transportation certification." The
30 certification by the Department of Transportation to the

1 Treasury Department under subsection (g).

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

10 "Federal operating ceiling." The maximum amount of Federal
11 funds permitted to be used by a Class 3 transit entity to
12 subsidize transit operations, as published in the November 23,
13 1990, Federal Register (or, where there is more than one transit
14 entity in a region, the maximum amount of Federal funds which
15 such Class 3 transit entity could have utilized to subsidize
16 transit operations pursuant to the subregional allocation as
17 specified in the applicable transportation improvement program)
18 for fiscal year 1990-1991.

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

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

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

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

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

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

30 (2) The names and addresses of each Class 1 transit

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

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

1 transit entity[.], the amount of Federal formula funds
2 received by each Class 3 transit entity during Federal fiscal
3 year 2002-2003, the amount of Federal formula funds received
4 by all Class 3 transit entities during Federal fiscal year
5 2002-2003, the amount of Federal formula funds to be received
6 by each Class 3 transit entity during the year in which
7 section 1310.2 funds are to be distributed, the amount of
8 Federal formula funds to be received by all Class 3 transit
9 entities during the year in which section 1310.2 funds are to
10 be distributed, the Class 3 transit entity section 1310.2
11 Federal funding loss percentage for each Class 3 transit
12 entity and the Class 3 transit entity section 1310.2 Federal
13 funding loss for all Class 3 transit entities, the Class 3
14 section 1310.2 Federal funding loss percentage for the fiscal
15 year, the Class 3 section 1310.2 system growth percentage,
16 the Class 3 entity section 1310.2 fixed-route revenue vehicle
17 hour percentage for each Class 3 transit entity, the Class 3
18 transit entity section 1310.2 fixed-route revenue vehicle
19 hour percentage for all Class 3 transit entities, the Class 3
20 transit entity section 1310.2 total revenue vehicle hour
21 percentage for each Class 3 transit entity, and the Class 3
22 transit entity section 1310.2 total revenue vehicle hour
23 percentage for all Class 3 transit entities; the Class 4
24 transit entity Class 4 operating assistance grant section
25 1310 percentage; for each Class 4 transit entity the Class 4
26 transit entity revenue mile section 1310 percentage; the
27 Class 4 transit entity revenue hour section 1310 percentage;
28 the Class 5 total annual bus, minivan, sedan, station wagon,
29 van and vehicle inventory values; the Class 5 section 1310.2
30 limited eligibility bus, minivan, sedan, station wagon, van

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

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

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

24 § 1310.1. Supplemental public transportation assistance
25 funding.

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

27 (1) Beginning July 1, 1997, through June 30, 2004, 1.22%
28 of the money collected from the tax imposed under Article II
29 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
30 Reform Code of 1971, up to a maximum of \$75,000,000, shall be

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

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

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

24 * * *

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

29 * * *

30 "Class 4 operating assistance grant section 1310.1

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

23 * * *

24 Section 4. Title 74 is amended by adding sections to read:

25 § 1310.2. Service stabilization and state of good repair
26 program.

27 (a) Deposit of tax revenue.--

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

30 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall be

1 deposited in the Service Stabilization and State of Good
2 Repair Account, which is established in the State Treasury.
3 Within 30 days of the close of the calendar month, the taxes
4 received in the prior calendar month shall be transferred to
5 the account.

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

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

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

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

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

17 (2) Each month, the Treasury Department shall transfer
18 one-twelfth of intercity passenger rail service section
19 1310.2 percentage for that fiscal year into the General Fund.
20 The moneys so transferred are hereby appropriated to the
21 Department of Transportation for use by the department for
22 expenses related to the support of intercity rail services
23 throughout this Commonwealth pursuant to this section.

24 (3) Each month, the Treasury department shall transfer
25 one-twelfth of the "jobs access/reverse commute project
26 section 1310.2 share" for that fiscal year into the General
27 Fund. The moneys so transferred are hereby appropriated to
28 the Department of Transportation for use by that department
29 for expenses related to the support of jobs access/reverse
30 commute projects. These funds shall be used to match Federal

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

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

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

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

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

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

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

30 (IV) the Class 5 section 1310.2 total annual

1 station wagon inventory value;

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

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

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

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

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

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

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

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

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

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

28 (D) The department shall then apply this
29 percentage to the total available for distribution
30 under subsection (b)(3)(i) and the result will be

1 distributed to each Class 5 transit entity as its
2 Class 5 transit entity total vehicle inventory share.

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

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

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

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

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

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

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

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

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

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

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

30 (III) the limited eligibility Class 5

1 transit entity 1310.2 annual sedan inventory
2 value;

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

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

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

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

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

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

28 (5) Each month, the department shall distribute one-
29 twelfth of the Class 4 transit entity section 1310.2
30 percentage to Class 4 transit entities in the manner provided

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

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

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

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

19 (A) To each Class 3 transit entity that has been
20 subjected to a cut in Federal formula funds
21 distributed under 49 U.S.C. § 5307 (relating to
22 urbanized area formula grants) between the fiscal
23 year prior to the fiscal year in which the section
24 1310.2 funds are being distributed and Federal fiscal
25 year 2002-2003 based on that Class 3 transit entity's
26 Class 3 transit entity section 1310.2 Federal funding
27 loss percentage.

28 (B) In any year in which the total loss of
29 Federal formula funds distributed under 49 U.S.C. §
30 5307 experienced by all Class 3 transit entities

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

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

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

25 (B) Fifty percent of the system growth set-aside
26 shall be distributed to each Class 3 transit entity
27 based on that transit entity's Class 3 section 1310.2
28 fixed-route revenue vehicle hour percentage. Every
29 Class 3 transit entity shall be deemed to have at
30 least a 10% increase in fixed-route revenue vehicle

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

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

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

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

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

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

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

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

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

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

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

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

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

1 percent.

2 "Class 3 section 1310.2 Federal funding loss percentage."

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

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

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

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

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

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

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

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

1 prior to performing the calculation. Data is to be based upon
2 information published in the most recent Department of
3 Transportation statistical report.

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

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

30 "Class 5 section 1310.2 limited eligibility annual bus

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

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

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

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

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

30 "Class 5 section 1310.2 limited eligibility annual vehicle

1 inventory value." For a given year, the total of the Class 5
2 section 1310.2 limited annual bus inventory value, the Class 5
3 section 1310.2 limited annual minivan inventory value, the Class
4 5 section 1310.2 limited annual sedan inventory value, the Class
5 5 section 1310.2 limited annual station wagon inventory value
6 and the Class 5 section 1310.2 limited annual van inventory
7 value.

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

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

18 "Class 5 section 1310.2 total annual minivan inventory
19 value." The total number of all qualified minivans reported to
20 the 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.

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

28 "Class 5 section 1310.2 total annual station wagon inventory
29 value." The total number of all qualified station wagons
30 reported to the Department of Transportation on the most

1 recently submitted vehicle inventory report multiplied by the
2 value designated for that type of vehicle by the department.

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

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

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

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

17 "Class 5 transit entity section 1310.2 total annual bus
18 inventory value." The total number of all qualified buses
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 bus inventory value.

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

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

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

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

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

1 1310.2 annual van inventory value.

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

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

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

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

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

1 "Jobs access/reverse commute project section 1310.2 share."
2 Ten million dollars.

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

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

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

30 "Limited eligibility Class 5 transit entity section 1310.2

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

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

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

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

1 inventory value, the limited eligibility Class 5 transit entity
2 section 1310.2 annual station wagon inventory value and the
3 limited eligibility Class 5 transit entity section 1310.2 annual
4 van inventory value.

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

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

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

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

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

27 "Vehicle inventory report." A listing of all vehicles used
28 by Class 5 transit entities, by vehicle type, in a given year
29 which must be submitted to the Department of Transportation in
30 the format specified by the department to qualify as a recipient

1 for section 1310.2 Class 5 funding.

2 § 1310.3. Major Capital Initiative Program.

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

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

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

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

1 entity section 1310.3 percentage.

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

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

27 (c) Program requirements.--

28 (1) The department shall develop an application process
29 and criteria to evaluate requests for section 1310.3 major
30 capital initiative program funds submitted by Class 3 and

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

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

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

1 upcoming fiscal year.

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

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

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

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

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

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

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

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

19 § 1310.4. Keystone Initiative.

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

29 (b) Eligible projects.--Eligible projects include repair and
30 improvement to all facets of the Keystone Corridor, including,

1 but not limited to, track, track bed, catenary, power
2 distribution, signals, stations and parking. Projects may
3 benefit intercity and commuter rail systems operating in the
4 Keystone Corridor.

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

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

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

29 "Keystone Corridor." The rail line between Harrisburg,
30 Pennsylvania and Philadelphia, Pennsylvania, including all

1 facilities and stations within that distance.

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

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

8 § 1311. Use of funds distributed.

9 * * *

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

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

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

29 (3) to the extent permitted by this section, asset
30 maintenance costs. Community transportation programs shall

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

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

9 * * *

10 (d) Management of funds.--

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

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

25 (2) All moneys distributed pursuant to [section 1310]
26 sections 1310, 1310.1 and 1310.2 and utilized for asset
27 maintenance under subsection (e) shall be matched by local or
28 private funding in an amount equal to at least 1/30 of the
29 amount expended for such purposes, except that, in the case
30 of Class 3 and 4 transit entities, no matching funds shall be

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

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

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

5 (e) Asset maintenance.--

6 * * *

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

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

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

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

1 * * *

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

4 § 1312. Community transportation programs.

5 * * *

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

26 § 1315. Public transportation grants management accountability.

27 * * *

28 (g) Procurement.--A transit entity that receives funding
29 under this chapter may participate in, sponsor, conduct or
30 administer a cooperative purchasing agreement for the

1 procurement of supplies, services, equipment or construction
2 with one or more transit entity or other public procurement unit
3 or with a mass transit entity or external procurement unit not
4 located in this Commonwealth consistent with the provisions of
5 62 Pa.C.S. Ch. 19 (relating to intergovernmental relations).
6 Where Federal funds provide a portion of the funds to implement
7 such a purchase, a transit entity must also comply with any
8 Federal procurement requirements that exceed those contained in
9 62 Pa.C.S. Ch. 19.

10 Section 7. Title 75 is amended by adding a section to read:
11 § 3315. Special traffic rules.

12 (a) Passing and overtaking streetcars.--

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

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

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

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

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

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

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

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

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

27 Section 8. This act shall take effect immediately.