

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 1590** Session of  
2007

INTRODUCED BY MARKOSEK, D. EVANS, McCALL AND DeWEESE,  
JUNE 18, 2007

SENATOR MADIGAN, TRANSPORTATION, IN SENATE, RE-REPORTED AS  
AMENDED, JUNE 29, 2007

AN ACT

1 Amending Titles 53 (Municipalities Generally), 74  
2 (Transportation) and 75 (Vehicles) of the Pennsylvania  
3 Consolidated Statutes, ~~providing for minority and women owned~~ <—  
4 ~~business participation, for public transportation assistance~~  
5 ~~and taxation and for income based on use of Commonwealth~~  
6 ~~highways;~~ authorizing local taxation for public  
7 transportation assistance; repealing provisions relating to  
8 public transportation assistance; providing for  
9 transportation issues and for sustainable mobility options;  
10 ~~further providing, in metropolitan transportation~~ <—  
11 ~~authorities, for board members and for operation;~~  
12 consolidating the Turnpike Organization, Extension and Toll  
13 Road Conversion Act ~~and further providing for the~~ <—  
14 ~~Pennsylvania Turnpike Commission;~~ PROVIDING FOR TURNPIKE <—  
15 COMMISSION STANDARDS OF CONDUCT; in provisions on the  
16 Pennsylvania Turnpike, further providing for definitions, for  
17 authorizations and for conversion to toll roads and providing  
18 for conversion of Interstate 80, for application and for  
19 lease of Interstate 80; in taxes for highway maintenance and  
20 construction, providing for definitions; further providing  
21 for imposition and for allocation of proceeds; providing for  
22 special revenue bonds, for expenses, for application of  
23 proceeds of obligations, for trust indenture, for exemption,  
24 for pledged revenues, for special revenue refunding bonds,  
25 for remedies, for Motor License Fund proceeds, for  
26 construction and for funding; and making related repeals.

27 The General Assembly of the Commonwealth of Pennsylvania

28 hereby enacts as follows:

Section 1. ~~Chapter 86 of Title 53 of the Pennsylvania Consolidated Statutes is amended to read:~~

CHAPTER 86

{(RESERVED)}

TAXATION FOR PUBLIC TRANSPORTATION

Sec.

~~8601. Declaration of policy.~~

~~8602. Local financial support.~~

~~§ 8601. Declaration of policy.~~

~~The General Assembly finds and declares as follows:~~

~~(1) Programs under 74 Pa.C.S. Ch. 13A (relating to sustainable mobility options) will require local funding.~~

~~(2) Local funding under paragraph (1) will require new or additional taxes by political subdivisions.~~

~~§ 8602. Local financial support.~~

~~(a) Imposition. Notwithstanding any other provision of law, a municipality may obtain financial support for transit systems by imposing one or more of the taxes or surcharges under subsection (b). Money obtained from the imposition shall be deposited into a restricted account of the municipality. The following apply:~~

~~(1) Money in the restricted account shall be used to meet the requirements of 74 Pa.C.S. §§ 1513(d)(1) (relating to operating program), 1514(c) (relating to asset improvement program) and 1515(d) (relating to new initiatives program).~~

~~(2) Money in the restricted account beyond that necessary under paragraph (1) shall be used for public passenger transportation, as defined in 74 Pa.C.S. § 1503 (relating to definitions) or for costs related to the maintenance, repair, restoration or replacement of local~~

1 ~~roads and bridges.~~

2 ~~(b) Taxes.~~

3 ~~(1) A county may, by ordinance, impose all of the~~  
4 ~~following taxes:~~

5 ~~(i) A sales tax on each separate sale at retail of~~  
6 ~~tangible personal property or services within the county~~  
7 ~~of either 0.25% or 0.5% of the purchase price. The~~  
8 ~~Department of Revenue shall administer and collect the~~  
9 ~~tax under this subparagraph in accordance with Article II~~  
10 ~~of the act of March 4, 1971 (P.L.6, No.2), known as the~~  
11 ~~Tax Reform Code of 1971, and shall distribute the money~~  
12 ~~to the county. As used in this subparagraph, the terms~~  
13 ~~"purchase price," "sale at retail" and "tangible personal~~  
14 ~~property" shall have the meanings given to them under~~  
15 ~~section 201 of the Tax Reform Code of 1971.~~

16 ~~(ii) A use tax on each use within the county of~~  
17 ~~tangible personal property purchased at retail and on~~  
18 ~~those services purchased at retail of either 0.25% or~~  
19 ~~0.5% of the purchase price. The ordinance shall provide~~  
20 ~~that the tax shall not be paid if the person has paid the~~  
21 ~~tax imposed under subparagraph (i) or has paid the tax~~  
22 ~~imposed under this subparagraph to the vendor with~~  
23 ~~respect to the use. The Department of Revenue shall~~  
24 ~~administer and collect the tax under this subparagraph in~~  
25 ~~accordance with Article II of the Tax Reform Code of 1971~~  
26 ~~and shall distribute the money to the county. As used in~~  
27 ~~this subparagraph, the terms "purchase price," "tangible~~  
28 ~~personal property" and "vendor" shall have the meanings~~  
29 ~~given to them under section 201 of the Tax Reform Code of~~  
30 ~~1971.~~

~~(iii) An excise tax of either 0.25% or 0.5% of the rent upon the occupancy of each hotel room in the county. As used in this subparagraph, the terms "hotel," "occupancy" and "rent" shall have the meanings given to them under section 209(a) of the Tax Reform Code of 1971.~~

~~(2) A municipality other than a county may, by ordinance, impose a tax on earned income, as defined under section 13 of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, of either 0.25% or 0.5%. The tax under this paragraph shall be in addition to the tax imposed under The Local Tax Enabling Act.~~

~~(3) A municipality may, by ordinance, impose a tax of up to \$2 per day on each rental vehicle. As used in this paragraph, the term "rental vehicle" shall have the meaning given it in section 1601 A of the Tax Reform Code of 1971.~~

~~(4) A county may impose, under the statutory authority of the county to levy an excise tax on the price of a hotel room rental, an additional excise tax of up to 1% on the price of a hotel room rental.~~

Section 1.1. Title 74 is amended by adding a section to read:

~~§ 303. Minority and women owned business participation.~~

~~(a) General rule. In administering the provisions of this title, the department and any local transportation organization shall:~~

~~(1) Be responsible for ensuring that all competitive contract opportunities issued by the department or local transportation organization seek to maximize participation by minority and women owned businesses and other disadvantaged businesses.~~

1           ~~(2) Give consideration, when possible and cost~~  
2           ~~effective, to contractors offering to utilize minority and~~  
3           ~~women owned businesses and disadvantaged businesses in the~~  
4           ~~selection and award of contracts.~~

5           ~~(3) Ensure that the department's and local~~  
6           ~~transportation organizations's commitment to the minority and~~  
7           ~~women owned business program is clearly understood and~~  
8           ~~appropriately implemented and enforced by all department and~~  
9           ~~local transportation organization employees.~~

10           ~~(4) Designate a responsible official to supervise the~~  
11           ~~department and local transportation organization minority and~~  
12           ~~women owned business program and ensure compliance within the~~  
13           ~~department or local transportation organization.~~

14           ~~(5) Furnish the Department of General Services, upon~~  
15           ~~request, all requested information or assistance.~~

16           ~~(6) Recommend sanctions to the Secretary of General~~  
17           ~~Services, as may be appropriate, against businesses that fail~~  
18           ~~to comply with the policies of the Commonwealth minority and~~  
19           ~~women owned business program.~~

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

23           ~~"Disadvantaged business." A business that is owned or~~  
24           ~~controlled by a majority of persons, not limited to members of~~  
25           ~~minority groups, who are subject to racial or ethnic prejudice~~  
26           ~~or cultural bias.~~

27           ~~"Local transportation organization." Any of the following:~~

28           ~~(1) A political subdivision or a public transportation~~  
29           ~~port or redevelopment authority organized under the laws of~~  
30           ~~this Commonwealth or pursuant to an interstate compact or~~

~~otherwise empowered to render, contract for the rendering or assist in the rendering of transportation service in a limited area in this Commonwealth, even though it may also render or assist in rendering transportation service in adjacent states.~~

~~(2) A nonprofit association that directly or indirectly provides public transportation service.~~

~~(3) A nonprofit association of public transportation providers operating within this Commonwealth.~~

~~"Minority owned business." A business owned and controlled by a majority of persons who are African Americans, Hispanic Americans, Native Americans, Asian Americans, Alaskans and Pacific Islanders.~~

~~"Women owned business." A business owned and controlled by a majority of persons who are women.~~

~~Section 1.2. Chapter 13 of Title 74 is repealed:~~

SECTION 1. TITLE 53 OF THE PENNSYLVANIA CONSOLIDATED STATUTES IS AMENDED BY ADDING A CHAPTER TO READ:

CHAPTER 86

TAXATION FOR PUBLIC TRANSPORTATION

SEC.

8601. SCOPE.

8602. LOCAL FINANCIAL SUPPORT.

§ 8601. SCOPE.

THIS CHAPTER RELATES TO LOCAL FUNDING FOR SUSTAINABLE MOBILITY OPTIONS.

§ 8602. LOCAL FINANCIAL SUPPORT.

(A) IMPOSITION.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A COUNTY OF THE SECOND CLASS MAY OBTAIN FINANCIAL SUPPORT FOR TRANSIT SYSTEMS BY IMPOSING ONE OR MORE OF THE TAXES UNDER

1 SUBSECTION (B). MONEY OBTAINED FROM THE IMPOSITION SHALL BE  
2 DEPOSITED INTO A RESTRICTED ACCOUNT OF THE MUNICIPALITY.

3 (B) TAXES.--

4 (1) A COUNTY OF THE SECOND CLASS MAY, BY ORDINANCE,  
5 IMPOSE ALL OF THE FOLLOWING TAXES:

6 (I) A TAX ON THE SALE AT RETAIL OF LIQUOR AND MALT  
7 AND BREWED BEVERAGES WITHIN THE COUNTY. THE ORDINANCE  
8 SHALL BE MODELED ON THE ACT OF JUNE 10, 1971 (P.L.153,  
9 NO.7), KNOWN AS THE FIRST CLASS SCHOOL DISTRICT LIQUOR  
10 SALES TAX ACT OF 1971; AND THE RATE OF TAX AUTHORIZED  
11 UNDER THIS SUBPARAGRAPH MAY NOT EXCEED THE RATE  
12 ESTABLISHED UNDER THAT ACT.

13 (II) AN EXCISE TAX ON EACH RENTING OF A RENTAL  
14 VEHICLE IN THE COUNTY. THE RATE OF TAX AUTHORIZED UNDER  
15 THIS SUBPARAGRAPH MAY NOT EXCEED THE RATE ESTABLISHED  
16 UNDER SECTION 2301(E) OF THE ACT OF MARCH 4, 1971 (P.L.6,  
17 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971. AS USED IN  
18 THIS SUBPARAGRAPH, THE TERM "RENTAL VEHICLE" HAS THE  
19 MEANING GIVEN TO IT IN SECTION 1601-A OF THE TAX REFORM  
20 CODE OF 1971.

21 (2) (RESERVED).

22 SECTION 2. SUBJECT TO SECTION 13.1 OF THIS ACT, CHAPTER 13  
23 OF TITLE 74 IS REPEALED:

24 [CHAPTER 13

25 PUBLIC TRANSPORTATION ASSISTANCE

26

27 § 1301. Definitions.

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

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

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

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

19 "Capital project." Any system of public passenger or public  
20 passenger and rail transportation, including, but not limited  
21 to, any railway, street railway, subway, elevated and monorail  
22 passenger or passenger and rail rolling stock, including self-  
23 propelled and gallery cars, locomotives, passenger buses and  
24 wires, poles and equipment for the electrification of any of the  
25 foregoing, rails, tracks, roadbeds, guideways, elevated  
26 structures, buildings, stations, terminals, docks, shelters,  
27 airports and parking areas for use in connection with public  
28 passenger or public passenger and rail transportation systems,  
29 interconnecting lines and tunnels to provide passenger or  
30 passenger and rail service connections between transportation



1 systems, transportation routes, corridors, and rights-of-way for  
2 any thereof (but not for public highways), signal and  
3 communication systems necessary or desirable for the  
4 construction, operation or improvement of the public passenger  
5 or passenger and rail transportation system involved, or any  
6 improvement of or overhaul of any vehicle, equipment or  
7 furnishings for any of the foregoing or any part, or fractional  
8 and undivided co-ownership or leasehold interest in any one or  
9 combination of any of the foregoing, that may be designated as a  
10 capital project by the secretary.

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

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

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

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

28 "Class 4 transit entity adjusted base grant." The State  
29 subsidy for operating expenses a Class 4 transit entity received  
30 during the 1990-1991 fiscal year, including any funds

1 appropriated under the act of February 11, 1976 (P.L.14, No.10),  
2 known as the Pennsylvania Rural and Intercity Common Carrier  
3 Surface Transportation Assistance Act; adjusted for factors  
4 which, in the judgment of the department, caused significant  
5 increases or decreases in the amount of State subsidy to a Class  
6 4 transit entity during the 1990-1991 fiscal year; and further  
7 adjusted, with respect to any Class 4 transit entity which  
8 received a State subsidy for less than the entire 1990-1991  
9 fiscal year, to reflect the annual subsidy that Class 4 transit  
10 entity would have received during that fiscal year if it had  
11 received a State subsidy for that entire fiscal year.

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

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

17 "Counties." The term includes any county.

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

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

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

29 "Federal agency." The United States of America, the  
30 President of the United States of America and any department of,

1 or corporation, agency or instrumentality heretofore or  
2 hereafter created, designated or established by, the United  
3 States of America.

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

12 "Fund." The Public Transportation Assistance Fund.

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

15 "Local transportation organization." Any political  
16 subdivision or any mass transportation, port, redevelopment or  
17 airport authority now or hereafter organized under the Laws of  
18 Pennsylvania or pursuant to an interstate compact or otherwise  
19 empowered to render, contract for the rendering or assist in the  
20 rendering of transportation service in a limited area in the  
21 Commonwealth of Pennsylvania, even though it may also render or  
22 assist in rendering transportation service in adjacent states,  
23 or any nonprofit association of public transportation providers  
24 within this Commonwealth.

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

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

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

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

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

25 "Pennsylvania Rural and Small Urban Public Transportation  
26 Program Statistical Report." The summary of selected financial  
27 and operating data concerning rural and small urban local  
28 transportation organizations and transportation companies for  
29 services in nonurbanized areas published by the Department of  
30 Transportation. The department shall publish the Pennsylvania

1 Rural and Small Urban Public Transportation Program Statistical  
2 Report on an annual basis, which report shall contain statistics  
3 with respect to the prior fiscal year, including those  
4 statistics needed for the department to make the calculations  
5 required pursuant to sections 1303 (relating to annual  
6 appropriation and computation of subsidy) and 1310 (relating to  
7 distribution of funding), and such other material as the  
8 department shall determine.

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

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

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

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

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

1 transportation or port authority and which comprises a part of  
2 the transportation system of the mass transportation or port  
3 authority.

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

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

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

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

27 "Transit vehicle." A self-propelled or electrically  
28 propelled vehicle designed for carrying 15 or more passengers,  
29 exclusive of the driver, other than a taxicab, designed and used  
30 for the transportation of persons for compensation, including,

1 but not limited to, subway cars, trolleys, trackless trolleys  
2 and railroad passenger cars.

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

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

18 "Urban Mass Transportation Act of 1964." Public Law 88-365,  
19 49 U.S.C. § 1601 et seq.

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

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

1 "Vehicle maintenance expenses." The categories of costs  
2 associated with the inspection, maintenance and repair of  
3 vehicles as specified in the National Urban Mass Transportation  
4 Statistics, 1989 Section 15 Annual Report, Report No. UMTA-IT-  
5 06-0352-90-1.

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

12 § 1302. Program authorizations.

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

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

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

24 (i) For the purpose of studies, analysis, planning  
25 and development of programs for urban common carrier mass  
26 transportation service and facilities, and for the  
27 purpose of activities related to the planning,  
28 engineering and designing of specific projects which are  
29 a part of a comprehensive program, including, but not  
30 limited to, activities such as studies related to



1 management, operations, capital requirements and economic  
2 feasibility, to the preparation of engineering and  
3 architectural surveys, plans and specifications and to  
4 other similar or related activities preliminary to and in  
5 preparation for the construction, acquisition or improved  
6 operation of urban common carrier mass transportation  
7 systems, facilities and equipment. State funding under  
8 this subparagraph shall not exceed five-sixths of the  
9 non-Federal share of the project costs.

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

21 (iii) To assist in providing grants to continue  
22 necessary service to the public, to permit needed  
23 improvements in service which are not self-supporting, to  
24 permit service which may be socially desirable but  
25 economically unjustified, and otherwise for any purpose  
26 in furtherance of urban common carrier mass  
27 transportation. The methodology for calculating the  
28 amount of the grant under this subparagraph shall be  
29 determined in accordance with section 1303. Each grant to  
30 a Class 1 transit entity, to a Class 2 transit entity or

1 to a Class 3 transit entity made pursuant to this  
2 paragraph shall be matched by local or private funding in  
3 an amount not less than one-third of the total State  
4 grant made pursuant to section 1303(b). Any grants to  
5 Class 3 transit entities may, however, be matched by an  
6 amount not less than the amount of local or private  
7 funding which is specified in the State contract for the  
8 1990-1991 fiscal year if the department shall have  
9 received a certification from such Class 3 transit entity  
10 that such lower level of local or private funding is  
11 adequate to prevent significant service reductions or  
12 passenger fare increases.

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

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

27 (4) In connection with privately or locally assisted  
28 capital projects or capital projects financed with private or  
29 local and Federal funds, to make grants for approved capital  
30 projects to a local transportation organization or a

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

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

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

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

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

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

23 (6) To participate in a pooled bus acquisition program  
24 with transportation companies or local transportation  
25 organizations and the Federal Government for the purpose of  
26 making buses available to transportation companies or local  
27 transportation organizations for use in urban common carrier  
28 mass transportation service, in accordance with the following  
29 procedures:

30 (i) The department may apply to the Urban Mass

1 Transportation Administration of the United States  
2 Department of Transportation for the Federal share of any  
3 pooled-bus acquisition project.

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

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

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

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

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

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

16 § 1303. Annual appropriation and computation of subsidy.

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

23 (b) Distribution as grants.--The General Assembly shall  
24 annually make an appropriation to the department for  
25 distribution as grants to local transportation organizations and  
26 transportation companies. The total amount of moneys  
27 appropriated shall be distributed by the department as grants to  
28 local transportation organizations and transportation companies  
29 in accordance with the provisions of this section.

30 (c) Distribution formula.--The department shall distribute

1 the total amount appropriated under subsection (b) in the  
2 following manner:

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

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

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

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

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

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

30 (C) Twenty-five percent of such excess shall be



1 distributed to Class 4 transit entities based upon  
2 each transit entity's Class 4 revenue hour  
3 percentage. The actual amount received by each Class  
4 4 transit entity under this clause shall be  
5 determined by multiplying a particular Class 4  
6 transit entity's Class 4 revenue hour percentage  
7 times 25% of such excess of the Class 4 transit  
8 entity share.

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

23 (4) The department shall calculate the Class 1 transit  
24 entity share, the Class 2 transit entity share and the Class  
25 3 transit entity share for the fiscal year.

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

29 (i) Each Class 1 transit entity shall receive a  
30 prorata share of the Class 1 transit entity share. If

1           there is only one Class 1 transit entity, it shall  
2           receive the entire Class 1 transit entity share.

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

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

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

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

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

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

1 percentage times 25% of such excess of the Class  
2 3 transit entity share.

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

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

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

30 (e) Change to different entity class.--If, during any fiscal

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

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

28 (1) Each local transportation organization or  
29 transportation company receiving moneys pursuant to this  
30 section shall annually fix such rates, fares and charges in

1 such manner that they shall be at all times sufficient in the  
2 aggregate, and in conjunction with any moneys received from  
3 Federal or other sources, and any other income available to  
4 such organization or company, to provide funds for the  
5 payment of all operating costs and expenses which shall be  
6 incurred by such organization or company.

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

17 (g) Standards and measures.--

18 (1) Within one year after the effective date of this  
19 part and every year thereafter, each local transportation  
20 organization or transportation company receiving moneys  
21 pursuant to this section shall adopt a series of service  
22 standards and performance evaluation measures. Such standards  
23 and measures shall be in addition to the performance audits  
24 required by section 1315 (relating to public transportation  
25 grants management accountability) and shall consist of  
26 objectives and specific numeric performance levels to be  
27 achieved in meeting these standards and objectives. Those  
28 standards and measures adopted shall include the following,  
29 in addition to others deemed appropriate by the local  
30 transportation organization or transportation company:

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

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

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

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

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

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

17 (2) The service standards and performance evaluation  
18 measures 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 service standards and performance evaluation  
25 measures.

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

29 (4) The service standards and performance evaluation  
30 measures shall only constitute goals for such local

1 transportation organization or transportation company in  
2 providing service in the year following their adoption. At  
3 the end of such year, fiscal or calendar, as the case may be,  
4 a report shall be transmitted to the department for its  
5 consideration indicating the projected performance levels and  
6 the performance levels actually achieved. Upon submission,  
7 the department will review the report and may make  
8 recommendations to such local transportation organization or  
9 transportation company concerning the performance levels  
10 actually achieved. Such report shall be released to the  
11 public at the time of issuance.

12 (5) The department may suspend the eligibility for  
13 future discretionary transit grant funds of any transit  
14 entity which fails to comply with the provisions of this  
15 section. The department shall restore the discretionary  
16 funding eligibility of a suspended transit entity at such  
17 time as the requirements of this section are met in an  
18 amended application received by the department.

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

29 (i) Audits.--The department is authorized to perform  
30 independent financial audits of the financial statements of each

1 local transportation organization or transportation company  
2 receiving moneys pursuant to this section. Such audits shall be  
3 conducted in accordance with generally accepted auditing  
4 standards. Any financial statements subject to such audit or  
5 reports resulting from such audit shall be prepared and  
6 presented in accordance with generally accepted accounting  
7 principles, consistently applied with previous statements  
8 rendered for or on behalf of such organization or company. The  
9 department may coordinate such audits in conjunction with audits  
10 undertaken by the Auditor General.

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

14 "Class 1 percentage." Seventy percent.

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

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

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

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

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

25 "Class 3 transit entity adjusted base grant." The State  
26 subsidy which a Class 3 transit entity received during the 1990-  
27 1991 fiscal year, including Federal funds transferred from other  
28 local transportation organizations and transportation companies  
29 from the Federal fiscal year 1989-1990 pursuant to the  
30 Governor's apportionment allocation contained in the Urban Mass



1 Transportation Act of 1964.

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

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

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

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

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

11 "Operating ratio." The proportion of total operating revenue  
12 (which shall include all passenger, charter and advertising  
13 revenue, fare reimbursement received from the State Lottery Fund  
14 and all other receipts associated with the delivery of transit  
15 services, but shall exclude Federal grants provided to cover  
16 operating losses and State grants made pursuant to subsection  
17 (b)) divided by total operating expenses associated with day-to-  
18 day operation of the system (but excluding depreciation of  
19 capital assets).

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

27 "Operating revenue percentage." The percentage determined by  
28 dividing the operating revenues of a local transportation  
29 organization or transportation company as reported in the most  
30 recently issued Pennsylvania Mass Transit Statistical Report by

1 the total operating revenue of all local transportation  
2 organizations or transportation companies as reported in the  
3 most recently issued Pennsylvania Mass Transit Statistical  
4 Report.

5 § 1304. Grant proposals.

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

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

25 (c) Preference for coordinated systems.--The department  
26 shall give preference to any proposal which will assist in  
27 carrying out a plan, meeting criteria established by the  
28 department, for a unified or officially coordinated urban  
29 transportation system as a part of the comprehensively planned  
30 development of the urban area, which is necessary for the sound,

1 economic and desirable development of such area and which shall  
2 encourage to the maximum extent feasible the participation of  
3 private enterprise. This subsection shall not apply to grants  
4 made pursuant to section 1303.

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

11 (e) Grant agreement.--

12 (1) The department shall review the proposal and, if  
13 satisfied that the proposal is in accordance with the  
14 purposes of this chapter, shall enter into a grant agreement  
15 subject to the condition that the grant be used in accordance  
16 with the terms of the proposal. With respect to grants made  
17 pursuant to section 1303, the department shall make such  
18 grants subject to the condition that the grants be used for  
19 the purposes set forth in section 1302 and, where applicable,  
20 only after the certification required in section 1302(2)(iii)  
21 and (3) shall have been made.

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

25 § 1305. Rules and regulations.

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

1 § 1306. Cooperation with other governments and private  
2 interests.

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

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

13 § 1307. General authority of department.

14 It is the purpose and intent of this chapter to authorize the  
15 department to do any and all other things necessary or desirable  
16 to secure the financial aid or cooperation of any Federal agency  
17 in any of the department's projects and to do and perform all  
18 things which may be required by any statute of the United States  
19 of America or by the lawful requirements of any Federal agency  
20 authorized to administer any program of Federal aid to  
21 transportation. The department is expressly permitted to enter  
22 into protective agreements with labor to the extent required  
23 under 49 U.S.C. § 5333 (relating to labor standards) in order to  
24 obtain Federal grant moneys for transportation assistance. Such  
25 protective agreements shall be narrowly drawn and strictly  
26 construed to provide no more than the minimum protections  
27 required by the United States Department of Labor for such  
28 agreements.

29 § 1308. Grants by counties or municipalities.

30 Any county or municipality in any metropolitan area which is

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

13 § 1309. Limitation on decisions, findings and regulations of  
14 department.

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

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 1310  
6 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 shares 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 as follows:

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

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

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

30 (A) Sixteen and sixty-seven hundredths percent

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

10 (B) 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 hour  
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 hour section 1310  
18 percentage times the total amount available for  
19 distribution under this clause.

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

30 (D) Twenty-five percent of the Class 3 transit

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

10           (E) 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 State operating grant 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 State operating grant percentage times the  
18           total amount available for distribution under this  
19           clause.

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

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

26 (d) Oversight.--The department shall initiate and maintain a  
27 program of review and oversight for any projects receiving funds  
28 distributed pursuant to this section and section 1310.1  
29 (relating to supplemental public transportation assistance  
30 funding). The department is authorized to perform independent

1 financial audits of the financial statements of each local  
2 transportation organization, transportation company or community  
3 transportation program receiving moneys pursuant to this  
4 section. These audits shall be conducted in accordance with  
5 generally accepted auditing standards. Any financial statements  
6 subject to the audit or reports resulting from the audit shall  
7 be prepared and presented in accordance with generally accepted  
8 accounting principles, consistently applied with previous  
9 statements rendered for or on behalf of such organization or  
10 company. The department may coordinate such audits in  
11 conjunction with audits undertaken by the Auditor General.

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

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

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

22 (i) A description of any such project.

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

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

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

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

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

3 (vii) An explanation of any significant project  
4 delays.

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

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

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

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

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

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

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

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

26 (4) The capital budget and the asset maintenance  
27 spending plan shall be established by formal action of the  
28 governing body of such local transportation organization or  
29 transportation company following an opportunity for comment  
30 by the public and the department. Upon submission, the

1 department will review and may make recommendations to the  
2 local transportation organization or transportation company  
3 concerning the capital budget and asset maintenance spending  
4 plan.

5 (5) The capital budget and the asset maintenance  
6 spending plan may be amended by formal action of the  
7 governing body of such local transportation organization or  
8 transportation company from time to time. Any amendments to  
9 the capital budget and the asset maintenance spending plan  
10 shall be transmitted to the department for its review, and  
11 the department may make recommendations to the local  
12 transportation organization or transportation company  
13 concerning any amendments to the capital budget and the asset  
14 maintenance spending plan.

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

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

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

30 (2) any other source, where such moneys are made

1 available specifically to finance capital projects and asset  
2 maintenance costs of local transportation organizations,  
3 transportation companies or community transportation programs  
4 in accordance with this section.

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

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

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

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

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

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

21 (3) the amount of the planning, development, research,  
22 rural expansion and department-initiated programs section  
23 1310 share; and

24 (4) the amount of the Class 4 transit entity section  
25 1310 share to be paid each month under subsection (b)(5).

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

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



1 3 allocation.

2 "Class 3 transit entity section 1310 share." The product of  
3 the Class 3 section 1310 percentage times the monthly Class 1 to  
4 3 allocation.

5 "Class 4 transit entity section 1310 share." Four million  
6 dollars during the 1991-1992 fiscal year and \$4,160,000 during  
7 the 1992-1993 fiscal year. During the 1993-1994 through 1996-  
8 1997 fiscal years, the term shall mean the Class 4 transit  
9 entity section 1310 share for the prior fiscal year plus (or  
10 minus) the product of the Class 4 transit entity section 1310  
11 share for the prior fiscal year times the percentage increase or  
12 decrease in the total funds available for distribution pursuant  
13 to this section received by the Treasury Department in the most  
14 recently completed fiscal year as compared with the prior fiscal  
15 year. For the 1997-1998 fiscal year and each fiscal year  
16 thereafter, the term shall mean 2.8% of the total amount of  
17 capital project, asset maintenance and other program funds  
18 projected by the department to be available under this section  
19 for distribution during the subject fiscal year.

20 "Class 3 Federal operating cap percentage." The percentage  
21 determined by dividing the Federal operating ceiling for a Class  
22 3 transit entity by the total Federal operating ceilings for all  
23 Class 3 transit entities.

24 "Class 3 State operating grant percentage." The percentage  
25 determined by dividing the State subsidy received pursuant to  
26 section 1303 (relating to annual appropriation and computation  
27 of subsidy) during fiscal year 1990-1991 by a Class 3 transit  
28 entity as stated in the latest Department of Transportation  
29 certification by the total State subsidies received pursuant to  
30 section 1303 during fiscal year 1990-1991 by all Class 3 transit

1 entities as stated in the latest Department of Transportation  
2 certification. For purposes of calculating the amount received  
3 by a Class 3 transit entity pursuant to section 1303, any  
4 Federal funds transferred from other local transportation  
5 organizations and transportation companies from the Federal  
6 fiscal year 1990-1991 Governor's apportionment allocation,  
7 contained in the Urban Mass Transportation Act of 1964, shall be  
8 considered to be amounts received pursuant to section 1303.

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

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

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

27 "Class 4 operating assistance grant section 1310 percentage."  
28 The percentage determined by dividing the Class 4 transit entity  
29 adjusted base grant received by a Class 4 transit entity by the  
30 total Class 4 transit entity adjusted base grants received

1 pursuant to such act by all Class 4 transit entities during  
2 fiscal year 1990-1991 as stated in the Department of  
3 Transportation certification.

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

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

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

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

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

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

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

27 "Federal operating ceiling." The maximum amount of Federal  
28 funds permitted to be used by a Class 3 transit entity to  
29 subsidize transit operations, as published in the November 23,  
30 1990, Federal Register (or, where there is more than one transit

1 entity in a region, the maximum amount of Federal funds which  
2 such Class 3 transit entity could have utilized to subsidize  
3 transit operations pursuant to the subregional allocation as  
4 specified in the applicable transportation improvement program)  
5 for fiscal year 1990-1991.

6 "Planning, development, research, rural expansion and  
7 department-initiated programs section 1310 shares." The sum of  
8 \$83,333.33 plus 0.25% of the total capital project, asset  
9 maintenance and other program funds available for distribution  
10 by the Treasury Department during a particular month.

11 "Total passengers." The total of all revenue passengers plus  
12 transfer passengers on second and successive rides of a local  
13 transportation organization or transportation company, which are  
14 funded in whole or in part by this part, with respect to the  
15 most recent fiscal year reported in the most recently issued  
16 Pennsylvania Mass Transit Statistical Report.

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

19 (g) Certification to Treasury Department.--On or before July  
20 15 of each fiscal year, the Department of Transportation shall  
21 calculate and certify to the Treasury Department the following:

22 (1) The Department of Transportation project management  
23 oversight share, the community transportation program  
24 sections 1310 and 1310.1 shares, the Class 1 transit entity  
25 sections 1310 and 1310.1 shares, the Class 2 transit entity  
26 sections 1310 and 1310.1 shares, the Class 3 transit entity  
27 sections 1310 and 1310.1 shares and the Class 4 transit  
28 entity sections 1310 and 1310.1 shares and the planning,  
29 development, research, rural expansion and department-  
30 initiated programs sections 1310 and 1310.1 shares.

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

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

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

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

14 § 1310.1. Supplemental public transportation assistance  
15 funding.

16 (a) General rule.--Beginning July 1, 1997, 1.22% of the  
17 money collected from the tax imposed under Article II of the act  
18 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
19 1971, up to a maximum of \$75,000,000, shall be deposited in the  
20 Supplemental Public Transportation Account, which is established  
21 in the State Treasury. Within 30 days of the close of a calendar  
22 month, 1.22% of the taxes received in the prior calendar month  
23 shall be transferred to the account. No funds in excess of  
24 \$75,000,000 may be transferred to the account in any one fiscal  
25 year. The money in the account shall be used by the department  
26 for supplemental public transportation assistance, to be  
27 distributed under this section. Transit entities may use  
28 supplemental assistance moneys for any of the purposes  
29 enumerated in section 1311 (relating to use of funds  
30 distributed). In addition to those enumerated purposes, Class 1,

1 2 and 3 transit entities also may use the base supplemental  
2 assistance share for general operations. Class 4 transit  
3 entities may use all supplemental assistance moneys for general  
4 operations.

5 (b) Distribution.--During each fiscal year, capital project,  
6 asset maintenance and other program funds designated as  
7 supplemental public transportation assistance funding to be  
8 distributed pursuant to this section shall be distributed as  
9 follows:

10 (1) On or before the fifth day of each month, the  
11 Treasury Department shall certify to the department the total  
12 amount of money then available for distribution, and the  
13 department shall disburse the money on or before the 20th day  
14 of each month.

15 (2) Each month the department shall distribute to each  
16 local transportation organization or transportation company  
17 1/12 of the base supplemental assistance share of that local  
18 transportation organization or transportation company.

19 (3) Each month the Treasury Department shall pay 1/12 of  
20 the community transportation program section 1310.1 share for  
21 that fiscal year to the Department of Transportation to make  
22 grants to counties pursuant to section 1312 (relating to  
23 community transportation programs) for the purpose of funding  
24 capital projects of community transportation programs.

25 (4) Each month the department shall distribute 1/12 of  
26 the Class 4 transit entity section 1310.1 share to Class 4  
27 transit entities according to the same formula as provided  
28 for distribution of funds under section 1310(b)(5) (relating  
29 to distribution of funding), using the Class 4 transit entity  
30 section 1310.1 share in place of the Class 4 transit entity



1 section 1310 share.

2 (5) Each month, after providing for payment of the  
3 portion of the base supplemental assistance share, the  
4 community transportation program section 1310.1 share and the  
5 Class 4 transit entity section 1310.1 share to be distributed  
6 that month, the department shall distribute all remaining  
7 capital project, asset maintenance and other program funds  
8 required to be distributed pursuant to this section according  
9 to the same formula as provided for distribution of funds in  
10 section 1310(b)(6), using the transit entity's section 1310.1  
11 share in place of the transit entity's section 1310 share.

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

16 "Base supplemental assistance share." The P.L. 103-122  
17 percentage for each local transportation organization or  
18 transportation company multiplied by \$54,616,000.

19 "Capital project, asset maintenance and other program funds."  
20 Moneys made available under this section to finance capital  
21 projects and asset maintenance costs of local transportation  
22 organizations, transportation companies or community  
23 transportation programs or to fund other programs specified in  
24 this section.

25 "Class 1 section 1310.1 percentage." 70.3%.

26 "Class 2 section 1310.1 percentage." 25.4%.

27 "Class 3 section 1310.1 percentage." 4.3%.

28 "Class 1 to 3 section 1310.1 allocation." The total amount  
29 of capital project, asset maintenance and other program funds  
30 available for distribution by the Treasury Department during a

1 particular month less:

2 (1) the amount of the base supplemental assistance share  
3 to be paid each month under subsection (b)(2);

4 (2) the amount of the community transportation program  
5 section 1310.1 share to be paid each month under subsection  
6 (b)(3); and

7 (3) the amount of the Class 4 transit entity section  
8 1310.1 share to be paid each month under subsection (b)(4).

9 "Class 1 transit entity section 1310.1 share." The product  
10 of the Class 1 section 1310.1 percentage times the Class 1 to 3  
11 section 1310.1 allocation.

12 "Class 2 transit entity section 1310.1 share." The product  
13 of the Class 2 section 1310.1 percentage times the monthly Class  
14 1 to 3 allocation.

15 "Class 3 transit entity section 1310.1 share." The product  
16 of the Class 3 section 1310.1 percentage times the monthly Class  
17 1 to 3 allocation.

18 "Class 4 transit entity section 1310.1 share." For each  
19 fiscal year, the total amount projected by the department to be  
20 available for distribution in the fiscal year in accordance with  
21 this section, less \$54,616,000, times 2.8%.

22 "Class 3 Federal operating cap percentage." The percentage  
23 determined by dividing the Federal operating ceiling for a Class  
24 3 transit entity by the total of all Federal operating ceilings  
25 for Class 3 transit entities.

26 "Class 3 total passenger section 1310.1 percentage." The  
27 percentage determined by dividing the total passengers  
28 transported by a Class 3 transit entity, as stated in the latest  
29 Department of Transportation certification, by the total number  
30 of passengers transported by all Class 3 transit entities, as

1 stated in the latest Department of Transportation certification.

2 "Class 3 vehicle hour section 1310.1 percentage." The  
3 percentage determined by dividing the vehicle hours of a Class 3  
4 transit entity, as stated in the latest Department of  
5 Transportation certification, by the total number of vehicle  
6 hours of all Class 3 transit entities, as stated in the latest  
7 Department of Transportation certification.

8 "Class 3 vehicle mile section 1310.1 percentage." The  
9 percentage determined by dividing the vehicle miles of a Class 3  
10 transit entity, as stated in the latest Department of  
11 Transportation certification, by the total number of vehicle  
12 miles of all Class 3 transit entities, as stated in the latest  
13 Department of Transportation certification.

14 "Class 4 operating assistance grant section 1310.1  
15 percentage." The percentage determined by dividing the Class 4  
16 transit entity adjusted base grant received by a Class 4 transit  
17 entity, as stated in the latest Department of Transportation  
18 certification, by the total Class 4 transit entity adjusted base  
19 grants received by all Class 4 transit entities during fiscal  
20 year 1990-1991, as stated in the latest Department of  
21 Transportation certification.

22 "Class 4 revenue hour section 1310.1 percentage." The  
23 percentage determined by dividing the revenue hours of a Class 4  
24 transit entity, as stated in the latest Department of  
25 Transportation certification, by the total number of revenue  
26 hours of all Class 4 transit entities, as stated in the latest  
27 Department of Transportation certification.

28 "Class 4 revenue mile section 1310.1 percentage." The  
29 percentage determined by dividing the revenue miles of a Class 4  
30 transit entity, as stated in the latest Department of

1 Transportation certification, by the total number of revenue  
2 miles of all Class 4 transit entities, as stated in the latest  
3 Department of Transportation certification.

4 "Community transportation program section 1310.1 share." The  
5 greater of:

6 (1) \$1,200,000; or

7 (2) the total amount projected by the Department of  
8 Transportation to be available for distribution in the  
9 subject fiscal year in accordance with this section, less  
10 \$54,616,000, times 2.5%.

11 "P.L. 103-122 percentage." The percentage determined by  
12 dividing the operating assistance grant or operating assistance  
13 limitation, whichever is greater, but not to exceed the total  
14 apportionment of funds made available to a particular local  
15 transportation organization or transportation company in this  
16 Commonwealth for each Class 1 transit entity, Class 2 transit  
17 entity and Class 3 transit entity and the base grants approved  
18 for each Class 4 transit entity pursuant to Public Law 103-122,  
19 107 Stat. 1199, for the Federal fiscal year ending September 30,  
20 1994, by the total of such amounts for all Commonwealth local  
21 transportation organizations and transportation companies  
22 pursuant to Public Law 103-122 for the fiscal year as determined  
23 by the Department of Transportation.

24 § 1311. Use of funds distributed.

25 (a) Approval of department.--

26 (1) No money made available pursuant to section 1310  
27 (relating to distribution of funding) shall be expended on  
28 any capital project by any local transportation organization  
29 or transportation company until after the local  
30 transportation organization or transportation company submits

1 the project to the department for approval and the department  
2 approves the project. At the option of the local  
3 transportation organization or transportation company,  
4 capital projects may be submitted to the department on an  
5 annual basis at the time the local transportation  
6 organization or transportation company submits its capital  
7 budget to the department or at another time chosen by the  
8 local transportation organization or transportation company.

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

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

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

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

25 (1) all costs of capital projects, including, without  
26 limitation, the costs of acquisition, construction,  
27 installation, start-up costs of operations, improvement and  
28 all work and materials incident thereto, provided that funds  
29 expended for capital projects pursuant to section 1310 shall  
30 be matched by local or private funding in an amount equal to

1 at least one-thirtieth of the project cost;

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

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

11 (c) Certain capital projects.--Notwithstanding any other  
12 provision of law, each local transportation organization or  
13 transportation company receiving moneys pursuant to section 1310  
14 may use such moneys, in the discretion of such local  
15 transportation organization or transportation company, to fund  
16 all or a portion of capital projects listed in the program  
17 prepared pursuant to section 2002(a)(13) of the act of April 9,  
18 1929 (P.L.177, No.175), known as The Administrative Code of  
19 1929.

20 (d) Management of funds.--

21 (1) Each local transportation organization or  
22 transportation company receiving moneys pursuant to sections  
23 1310 and 1310.1 (relating to supplemental public  
24 transportation assistance funding) shall hold such moneys in  
25 an account separate from other funds of the local  
26 transportation organization or transportation company and  
27 shall invest such moneys until such funds are used in  
28 accordance with this section, with such funds being invested  
29 in accordance with the limits on investment of the local  
30 transportation organization or transportation company.

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

5 (2) All moneys distributed pursuant to section 1310 and  
6 utilized for asset maintenance under subsection (e) shall be  
7 matched by local or private funding in an amount equal to at  
8 least 1/30 of the amount expended for such purposes, except  
9 that, in the case of Class 3 and 4 transit entities, no  
10 matching funds shall be required if the department shall have  
11 received from the local governmental funding source which  
12 would otherwise provide the matching funds a certification  
13 that compliance with the matching requirement would create an  
14 undue financial burden upon the local governmental funding  
15 source such that a curtailment of government services  
16 endangering public health and safety would ensue.

17 (3) All moneys distributed pursuant to section 1310.1  
18 and utilized under this section shall be matched by local or  
19 private funding in an amount equal to at least 1/30 of the  
20 amount expended for such purposes, except that, in the case  
21 of Class 3 and 4 transit entities, no funds utilized for  
22 asset maintenance under subsection (e) shall require a local  
23 match if the department shall have received from the local  
24 governmental funding source which would otherwise provide the  
25 matching funds a certification that compliance with the  
26 matching requirement would create an undue financial burden  
27 upon the local governmental funding source such that a  
28 curtailment of government services endangering public health  
29 and safety would ensue.

30 (e) Asset maintenance.--

1 (1) Each local transportation organization or  
2 transportation company may expend moneys distributed pursuant  
3 to sections 1310 and 1310.1 shares to fund asset maintenance  
4 costs as provided in this subsection.

5 (2) Moneys distributed pursuant to sections 1310 and  
6 1310.1 may only be used to fund asset maintenance costs  
7 incurred during the fiscal year in which such moneys are  
8 allocated. Thereafter, such funds may only be used to fund  
9 capital projects.

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

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

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

30 (iii) (Deleted by amendment).



1 (iv) Class 4 transit entities may utilize for asset  
2 maintenance costs up to a maximum of 50% of the funds  
3 received pursuant to sections 1310 and 1310.1.

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

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

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

18 (i) Accounting.--Within 120 days after the end of each  
19 fiscal year for capital programs established by the local  
20 transportation organization or transportation company pursuant  
21 to section 1310(e), each local transportation organization and  
22 transportation company receiving moneys pursuant to sections  
23 1310 and 1310.1 shall transmit to the department an  
24 accounting of all funds received pursuant to sections 1310 and  
25 1310.1 shares in that fiscal year. The accounting shall be in a  
26 form prescribed by the department and shall include a listing of  
27 all expenditures on a project by project basis and the status of  
28 all unspent funds. The local transportation organization or  
29 transportation company shall grant access to the department or  
30 its duly authorized representatives to any and all records

1 pertaining to funds received pursuant to sections 1310 and  
2 1310.1 shares.

3 (j) Limit on certain amounts expended.--Notwithstanding any  
4 law to the contrary and except as provided in subsection (a) for  
5 Class 4 transit entities, local transportation organizations and  
6 transportation companies are authorized to expend moneys  
7 distributed pursuant to sections 1310 and 1310.1 shares for  
8 asset maintenance costs in an amount not to exceed the greater  
9 of:

10 (1) the maximum amount of asset maintenance expenditures  
11 which could have been approved by the department for  
12 expenditure by that local transportation organization or  
13 transportation company for the 1991-1992 fiscal year pursuant  
14 to section 17(a) of the act of August 5, 1991 (P.L.238,  
15 No.26), entitled "An act amending Titles 74 (Transportation)  
16 and 75 (Vehicles) of the Pennsylvania Consolidated Statutes,  
17 codifying provisions relating to public transportation;  
18 imposing certain fees and taxes; further providing for  
19 certain Pennsylvania Turnpike projects; defining 'farm  
20 equipment'; further providing for the responsibilities of  
21 vehicle transferees, for exemptions from registration and  
22 certificates of title and for the use of dealer plates,  
23 multipurpose dealer plates and farm equipment plates; further  
24 providing for funeral processions; further providing for a  
25 restricted receipts fund and for registration for snowmobiles  
26 and ATV's; establishing the Snowmobile Trail Advisory  
27 Committee; further providing for the highway maintenance and  
28 construction tax; and making repeals," based upon a  
29 projection of \$200,000,000 in total dedicated capital  
30 assistance funds plus estimated amounts of supplemental

1 public transportation assistance funding available for  
2 distribution pursuant to section 1310.1 in that fiscal year,  
3 which estimate shall not be less than \$75,000,000 in any  
4 fiscal year; or

5 (2) the amount permitted to be expended for such  
6 purposes under subsection (e).

7 § 1312. Community transportation programs.

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

23 (b) Procedure.--

24 (1) The department is hereby authorized to make grants  
25 to all counties, except those of the first and second class,  
26 or to entities designated by such counties to coordinate  
27 services under this section in such county, for the purpose  
28 of adding, replacing, upgrading and overhauling equipment for  
29 the provision of shared-ride transit services responsive to  
30 and accessible by the general public as well as the elderly

1 and disabled. If sufficient funds remain after all department  
2 approvals for such equipment projects have been fully funded,  
3 the department is hereby authorized to make grants for the  
4 purchase, construction or renovation of facilities to serve  
5 as office and maintenance sites for the provision of shared-  
6 ride transit services responsive to and accessible by the  
7 general public as well as the elderly and disabled. Equipment  
8 that may be purchased shall include, but shall not be limited  
9 to, vehicles, vehicle rehabilitation, major drivetrain  
10 components, communication equipment, computer equipment and  
11 software and office equipment and furnishings.

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

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

29 (4) All purchases pursuant to this subsection shall be  
30 made in accordance with bidding procedures established under

1 the act of May 2, 1945 (P.L.382, No.164), known as the  
2 Municipality Authorities Act of 1945, or the act of August 9,  
3 1955 (P.L.323, No.130), known as The County Code, whichever  
4 is applicable.

5 (c) Availability of funds.--Funds not expended under this  
6 section in the fiscal year in which they were made available  
7 shall not lapse and shall be available for use pursuant to this  
8 section in the next succeeding fiscal years.

9 § 1313. Additional programs.

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

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

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

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

29 (4) To make grants to Class 4 transit entities for the  
30 significant expansion of services by such entities from funds

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

15 (b) Availability of funds.--Funds not expended under this  
16 section in the fiscal year in which they were made available  
17 shall not lapse and shall be available for use pursuant to this  
18 section in the next succeeding fiscal years.

19 § 1315. Public transportation grants management accountability.

20 (a) Performance audits.--All classes of transit entities  
21 shall complete periodic management performance audits which  
22 shall encompass all public transportation programs and services  
23 financed in whole or in part by grants provided by the  
24 department as follows:

25 (1) The department shall establish criteria to be  
26 included in a performance audit performed pursuant to this  
27 section. The criteria shall be published in the Pennsylvania  
28 Bulletin. Separate criteria may be established for each class  
29 of transit entity.

30 (2) Management performance audits shall be completed

1 within ten months of their initiation and shall be performed  
2 as follows:

3 (i) Class 1 transit entities shall begin the initial  
4 management performance audit required pursuant to this  
5 section no later than July 1, 1999, or, with the written  
6 approval of the department, within five years of the  
7 completion of the most recent performance audit.

8 Thereafter, Class 1 transit entities shall complete a  
9 management performance audit at least once every five  
10 years.

11 (ii) Class 2 transit entities shall begin the  
12 initial management performance audit required by this  
13 section no later than July 1, 2000, or, with the written  
14 approval of the department, within five years of the most  
15 recent performance audit. The department may extend the  
16 initiation date for a period of up to five years.

17 Thereafter, Class 1 transit entities shall complete a  
18 management performance audit at least once every five  
19 years.

20 (iii) Class 3 transit entities in urbanized areas  
21 with a population of 200,000 or greater shall begin the  
22 initial management performance audit required by this  
23 section no later than July 1, 2001. Class 3 transit  
24 entities in urbanized areas with a population of less  
25 than 200,000 shall begin the first management performance  
26 audit required by this section no later than July 1,  
27 2002. Thereafter, Class 3 transit entities shall perform  
28 a management performance audit at least once every seven  
29 years.

30 (iv) Class 4 transit entities shall begin the first

1 initial management performance audit required by this  
2 section no later than July 1, 2002. Thereafter, Class 4  
3 transit entities shall perform a management performance  
4 audit at least once every ten years. The department shall  
5 perform management performance audits for Class 4  
6 entities through qualified independent contractors unless  
7 written notice is provided to the department by the Class  
8 4 transit entity that the transit entity wishes to  
9 perform its own audit. The notice shall be provided no  
10 later than one year prior to the initiation date of the  
11 next scheduled audit.

12 (3) Class 1, 2 and 3 transit entities shall bear all  
13 costs of performing management performance audits pursuant to  
14 this section. The cost of such management performance audits  
15 for Class 4 transit entities shall be paid by the department  
16 from funds made available under section 1310(d) (relating to  
17 distribution of funding).

18 (4) For Class 1, 2 and 3 transit entities, the  
19 management performance audit shall be conducted by a  
20 qualified independent auditor selected by competitive  
21 procurement. Procurement documents shall specify the scope of  
22 the audit, comply with department criteria and be submitted  
23 to the department for written approval prior to procurement.

24 (b) Submission of audit report; transit entity response.--

25 (1) Upon receipt of a final audit report from the  
26 auditor or, in the case of Class 4 transit entities, from the  
27 department, each transit entity shall prepare an action plan  
28 addressing the findings and recommendations of the audit  
29 report. The action plan shall be completed and approved by  
30 the transit entity's governing body within two months of



1 receipt of the final audit report. The transit entity shall  
2 implement its action plan in accordance with the time frames  
3 specified in the plan.

4 (2) Upon approval of the action plan by the entity's  
5 governing body, the transit entity shall submit the plan and  
6 the auditor's report to the department. Class 1 and 2 transit  
7 entities shall also submit their action plans to the  
8 Legislative Budget and Finance Committee, the chairman and  
9 minority chairman of the Transportation Committee of the  
10 Senate and the chairman and minority chairman of the  
11 Transportation Committee of the House of Representatives.

12 (c) Customer satisfaction surveys.--Customer satisfaction  
13 surveys shall be conducted as follows:

14 (1) All Class 1 and 2 entities shall conduct customer  
15 satisfaction surveys at least once every two years. Class 3  
16 and 4 transit entities shall conduct customer satisfaction  
17 surveys at least once every three years. An initial customer  
18 satisfaction survey for each transit entity shall be  
19 completed and submitted to the department no later than  
20 December 31, 1998.

21 (2) The department shall provide guidelines regarding  
22 the scope of the surveys and suggested questions which may be  
23 included in the surveys.

24 (3) Upon completion of the survey, the transit entity  
25 shall submit a report to the department containing survey  
26 methodology, survey results, relevant trends in the level of  
27 customer satisfaction and actions taken or planned to improve  
28 customer satisfaction.

29 (d) Suspension of grant funds.--The department may suspend  
30 eligibility for grants under section 1303 (relating to annual

1 appropriation and computation of subsidy) for any transit entity  
2 which fails to comply with any of the provisions of this  
3 section.

4 (e) Restoration or continuation of funding.--The department  
5 shall continue eligibility of a transit entity for grants under  
6 section 1303 if the entity has initiated its audit or survey in  
7 a timely manner and the delay in completion of the audit or  
8 survey is not the fault of the transit entity. The department  
9 shall restore eligibility of a suspended transit entity at such  
10 time as the audit or survey is completed in accordance with the  
11 requirements of this section.

12 (f) Cost reduction and productivity improvement.--As part of  
13 its annual application for funding under section 1303, Class 1,  
14 2, 3 and 4 transit entities shall include a report outlining  
15 initiatives it has undertaken to reduce costs and improve  
16 productivity.]

17 ~~Section 2. Title 74 is amended by adding chapters to read:~~ <—

18 ~~CHAPTER 13A~~

19 ~~TRANSPORTATION ISSUES~~

20 ~~Sec.~~

21 ~~13A01. Declaration of policy.~~

22 ~~§ 13A01. Declaration of policy.~~

23 ~~The General Assembly finds and declares as follows:~~

24 ~~(1) This Commonwealth and the nation are facing serious~~  
25 ~~transportation funding problems related to gasoline and~~  
26 ~~energy.~~

27 ~~(2) Public transportation is a major component of~~  
28 ~~solving the problems referred to in paragraph (1).~~

29 ~~(3) It is necessary to reconsider public transportation~~  
30 ~~options in this Commonwealth.~~

1 CHAPTER 15

2 SUSTAINABLE MOBILITY OPTIONS

3 Sec.

4 1501. Scope of chapter.

5 1502. (Reserved).

6 1503. Definitions.

7 1504. Program authorization.

8 1505. Regulations.

9 1506. Fund.

10 1507. Application and approval process.

11 1508. Federal funding.

12 1509. Limitation on decisions, findings and regulations of  
13 department.

14 1510. Program oversight and administration.

15 1511. Report to Governor and General Assembly.

16 1512. Coordination.

17 1513. Operating program.

18 1514. Asset improvement program.

19 1515. New initiatives program.

20 1516. Programs of Statewide significance.

21 1517. Program oversight and administration.

22 1518. Retroactive authority.

23 § 1501. Scope of chapter.

24 This chapter relates to sustainable mobility options.

25 § 1502. (Reserved).

26 § 1503. Definitions.

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

30 "Access to jobs project." A project relating to the

~~1 development and maintenance of transportation services designed  
2 to transport welfare recipients and eligible low income  
3 individuals to and from jobs and activities related to their  
4 employment as defined under 49 U.S.C. § 5316 (relating to job  
5 access and reverse commute formula grants).~~

~~6 "Americans with Disabilities Act."—The Americans with  
7 Disabilities Act of 1990 (Public Law 101-336, 104 Stat. 327).~~

~~8 "Asset maintenance costs."—All vehicle maintenance expenses,  
9 nonvehicle maintenance and materials expenses and the cost of  
10 supplies used in the operation of local transportation  
11 organizations and transportation companies.~~

~~12 "Award recipient."—A recipient of financial assistance under  
13 this chapter.~~

~~14 "Capital expenditures."—All costs of capital projects,  
15 including, but not limited to, the costs of acquisition,  
16 construction, installation, start up of operations, improvements  
17 and all work and materials incident thereto.~~

~~18 "Capital project."~~

~~19 (1) A system of public passenger transportation,  
20 including rail transportation facilities used for public  
21 passenger transportation, which facilities may include the  
22 following:~~

~~23 (i) railway, street railway, subway, elevated and  
24 monorail passenger or passenger and rail rolling stock,  
25 including self propelled and gallery cars, locomotives,  
26 passenger buses and wires, poles and equipment for the  
27 electrification of any of such rails, tracks and  
28 roadbeds, guideways, elevated structures, buildings,  
29 stations, terminals, docks, shelters and parking areas  
30 for use in connection with the rail transportation~~

~~systems, interconnecting lines and tunnels to provide passenger or passenger and rail service connections between transportation systems, transportation routes, corridors and rights of way therefor, but not for public highways;~~

~~(ii) signal and communication systems necessary or desirable for the construction, operation or improvement of a public passenger system; or~~

~~(iii) any improvement or overhaul of any vehicle equipment or furnishings of any of the items specified under subparagraphs (i) and (ii) or any part or fractional and undivided co ownership or leasehold interest in any one or combination of any of the items specified under subparagraphs (i) and (ii) that may be designated as a capital project by the Secretary of Transportation.~~

~~(2) The term shall include the acquisition of land necessary for the construction of a new project and debt service and the cost of issuance of bond notes and other evidences of indebtedness which a local transportation organization or transportation company is permitted to issue under any law of this Commonwealth.~~

~~"Commonwealth capital bonds." Evidence of debt incurred by the Commonwealth under the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act.~~

~~"Community transportation service" or "shared ride service." Door to door demand transportation that is available to the general public on a nonexclusive basis, operates on a nonfixed route basis and charges a fare to all riders. The term does not include exclusive ride taxi service, charter and sightseeing~~

1 ~~service, nonpublic transportation, school bus and limousine~~  
2 ~~service.~~

3 ~~"Community transportation system."—A person that provides~~  
4 ~~community transportation service and contracts with the~~  
5 ~~Department of Transportation to receive revenue replacement~~  
6 ~~funds.~~

7 ~~"Department."—The Department of Transportation of the~~  
8 ~~Commonwealth.~~

9 ~~"Financial assistance."—Grants or other types of financial~~  
10 ~~support provided by the Department of Transportation under this~~  
11 ~~chapter.~~

12 ~~"Fixed guideway system."—A fixed route public transportation~~  
13 ~~service that uses and occupies a separate right of way or rail~~  
14 ~~line for the exclusive use of public transportation and other~~  
15 ~~high occupancy vehicles or uses a fixed catenary system and a~~  
16 ~~right of way usable by other forms of transportation. The term~~  
17 ~~includes light rail, commuter rail, automated guideway transit,~~  
18 ~~people movers, ferry boat service and fixed guideway facilities~~  
19 ~~for buses such as bus rapid transit and high occupancy vehicles.~~

20 ~~"Fixed route public transportation service."—Regularly~~  
21 ~~scheduled general public transportation that is provided~~  
22 ~~according to published schedules along designated routes, but~~  
23 ~~that allows for route deviation within the published schedule,~~  
24 ~~with specified stopping points for the taking on and discharging~~  
25 ~~of passengers, including public bus and commuter rail systems~~  
26 ~~and other department approved service. The term does not include~~  
27 ~~exclusive ride taxi service, charter or sightseeing service,~~  
28 ~~nonpublic transportation, school bus and limousine service.~~

29 ~~"Fund."—The Public Transportation Trust Fund established~~  
30 ~~under section 1506 (relating to fund).~~

1 ~~"Inflation index."— An index established by the Department of~~  
2 ~~Transportation that is inflation sensitive.~~

3 ~~"Intercity bus service."— Passenger bus service of 35 miles~~  
4 ~~or more in length that is provided with an over the road bus and~~  
5 ~~operated between two noncontiguous urbanized areas, between an~~  
6 ~~urbanized area located in one county and rural communities~~  
7 ~~located in another county or between rural communities located~~  
8 ~~in different counties and contains all of the following~~  
9 ~~elements:~~

10 ~~(1) Service that is operated for a fare on a regularly~~  
11 ~~scheduled fixed route basis.~~

12 ~~(2) Service that is offered to and utilized by the~~  
13 ~~general public without preconditions of advance reservation~~  
14 ~~or membership in a particular organization.~~

15 ~~"Intercity passenger rail service."— Passenger railroad~~  
16 ~~service that connects two or more urbanized areas and is~~  
17 ~~determined by the Department of Transportation to qualify as~~  
18 ~~intercity service, including commuter rail service.~~

19 ~~"Job access and reverse commute project."— A project funded~~  
20 ~~by the Federal Transit Administration under Federal law.~~

21 ~~"Local transportation organization."— Any of the following:~~

22 ~~(1) A political subdivision or a public transportation~~  
23 ~~port or redevelopment authority organized under the laws of~~  
24 ~~this Commonwealth or pursuant to an interstate compact or~~  
25 ~~otherwise empowered to render, contract for the rendering or~~  
26 ~~assist in the rendering of transportation service in a~~  
27 ~~limited area in this Commonwealth, even though it may also~~  
28 ~~render or assist in rendering transportation service in~~  
29 ~~adjacent states.~~

30 ~~(2) A nonprofit association that directly or indirectly~~

~~provides public transportation service.~~

~~(3) A nonprofit association of public transportation providers operating within this Commonwealth.~~

~~"Materials and supplies." Those categories of expenses as specified in Uniform System of Accounts expense object class 504, National Transit Database operating expenses form F-30, National Transit Database, Final Rule, Federal Transit Administration, dated January 15, 1993, or any successor.~~

~~"Municipality." A city, borough, incorporated town or township.~~

~~"New fixed guideway system." A newly constructed fixed guideway system in a corridor or alignment where no such system previously existed.~~

~~"New freedom program." A public transportation program designed to provide funds to recipients for new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act of 1990 (Public Law 101-336, 104 Stat. 327) that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services administered under the provisions of 49 U.S.C. § 5317 (relating to new freedom program.)~~

~~"New start." The term shall have the same meaning given it in 49 CFR § 611.5 (relating to definitions).~~

~~"Nonurbanized area." An area within this Commonwealth that does not fall within an area classified as "urbanized" by the United States Bureau of the Census of the United States Department of Commerce in the most recent Census of Population.~~

~~"Nonvehicle maintenance expenses." The categories of costs associated with the inspection, maintenance and repair of~~



~~1 assets, other than vehicles, as specified in Uniform System of  
2 Accounts, expense function 042, National Transit Database  
3 operating expenses form, F-30, National Transit Database, Final  
4 Rule, Federal Transit Administration, dated January 15, 1993, or  
5 any successor.~~

~~6 "Operating expenses."—Total expenses required to continue  
7 service to the public and to permit needed improvements in  
8 service which are not self-supporting and otherwise for any  
9 purpose in furtherance of public passenger transportation,  
10 including all State asset maintenance costs. The term does not  
11 include expenditures for capital projects unless specific  
12 approval is provided by the Department of Transportation.~~

~~13 "Operating revenue."—The total revenue earned by a local  
14 transportation organization or a transportation company through  
15 its transit operations. The term includes all of the following:~~

~~16 (1) Passenger fares.~~

~~17 (2) Reimbursements provided in lieu of fares for senior  
18 passengers.~~

~~19 (3) Charter, school bus and advertising revenue.~~

~~20 (4) Other miscellaneous revenue such as public and  
21 private route guarantee funds.~~

~~22 "Paratransit service."—Transit service operating on a  
23 nonfixed route basis in order to provide complementary  
24 transportation service to persons who are functionally unable to  
25 use fixed route transportation, as required by the Americans  
26 with Disabilities Act of 1990 (Public Law 101-336, 104 Stat.  
27 327).~~

~~28 "Passengers."—The total of all originating passengers plus  
29 transfer passengers carried on fixed route service and  
30 paratransit service.~~

1 ~~"Public passenger transportation."—Transportation within an~~  
2 ~~area that includes a municipality or other built up place that~~  
3 ~~is appropriate in the judgment of the Department of~~  
4 ~~Transportation to serve commuters or others in the locality,~~  
5 ~~taking into consideration the local patterns and trends of~~  
6 ~~growth by bus or rail or other conveyance, either publicly or~~  
7 ~~privately owned, serving the general public. The term does not~~  
8 ~~include school buses, charter or sightseeing services.~~

9 ~~"Revenue replacement funds."—Payments made to local~~  
10 ~~transportation organizations and transportation companies to~~  
11 ~~offset or partially offset fares.~~

12 ~~"Revenue vehicle hours."—The total amount of time calculated~~  
13 ~~in hours during which vehicles are in service and available for~~  
14 ~~public use in fixed route service or paratransit service. The~~  
15 ~~term does not include deadhead hours.~~

16 ~~"Revenue vehicle miles."—The total amount of distance~~  
17 ~~calculated in miles during which vehicles are in service and~~  
18 ~~available for public use in fixed route service or paratransit~~  
19 ~~service. The term does not include deadhead miles.~~

20 ~~"Reverse commute project."—A public transportation project~~  
21 ~~designed to transport residents of urbanized and nonurbanized~~  
22 ~~areas to suburban employment opportunities as defined under 49~~  
23 ~~U.S.C. § 5316 (relating to job access and reverse commute~~  
24 ~~formula grants).~~

25 ~~"Secretary."—The Secretary of Transportation of the~~  
26 ~~Commonwealth.~~

27 ~~"Senior citizen."—A person who is at least 65 years of age.~~

28 ~~"Senior passenger."—A senior citizen who rides on fixed~~  
29 ~~route service.~~

30 ~~"Tax Reform Code."—The act of March 4, 1971 (P.L.6, No.2),~~

1 ~~known as the Tax Reform Code of 1971.~~

2 ~~"Transportation company."—A person that renders public~~  
3 ~~passenger transportation service.~~

4 ~~"Urbanized area."—A portion of this Commonwealth classified~~  
5 ~~as urbanized by the United States Bureau of the Census of the~~  
6 ~~United States Department of Commerce in the most recent Census~~  
7 ~~of Population.~~

8 ~~"Vehicle maintenance expenses."—The categories of costs~~  
9 ~~associated with the inspection, maintenance and repair of~~  
10 ~~vehicles as specified in Uniform System of Accounts, expense~~  
11 ~~function 041, National Transit Database operating expenses form~~  
12 ~~F-30, National Transit Database, Final Rule, Federal Transit~~  
13 ~~Administration, dated January 15, 1993, or any successor.~~

14 ~~"Welfare to work."—Any Federal or State program designed to~~  
15 ~~move individuals from dependency on public welfare programs to~~  
16 ~~self sufficiency through paid work.~~

17 ~~§ 1504.—Program authorization.~~

18 ~~(a) General.—The department may, within the limitations~~  
19 ~~provided in this chapter, incur costs directly or otherwise~~  
20 ~~provide financial assistance for the purposes and activities~~  
21 ~~enumerated in this chapter.~~

22 ~~(b) Supplementation of Federal and local funds.—The~~  
23 ~~authority conferred on the department by this section includes,~~  
24 ~~but is not limited to, providing financial assistance for public~~  
25 ~~passenger transportation purposes and to supplement Federal~~  
26 ~~funding, local funding, or both.~~

27 ~~§ 1505.—Regulations.~~

28 ~~(a) General rule.—To effectuate and enforce the provisions~~  
29 ~~of this chapter, the department shall promulgate necessary rules~~  
30 ~~and regulations and prescribe conditions and procedures in order~~

1 ~~to assure compliance in carrying out the purposes for which~~  
2 ~~financial assistance may be made under this chapter.~~

3 ~~(b) Temporary regulations. During the two year period~~  
4 ~~following the effective date of this section, the department~~  
5 ~~shall promulgate temporary regulations, which regulations shall~~  
6 ~~be exempt from the following:~~

7 ~~(1) The act of October 15, 1980 (P.L.950, No.164), known~~  
8 ~~as the Commonwealth Attorneys Act.~~

9 ~~(2) Section 205 of the act of July 31, 1968 (P.L.769,~~  
10 ~~No.240), referred to as the Commonwealth Documents Law.~~

11 ~~(3) The act of June 25, 1982 (P.L.633, No.181), known as~~  
12 ~~the Regulatory Review Act.~~

13 ~~Temporary regulations promulgated by the department under this~~  
14 ~~subsection shall expire four years following the effective date~~  
15 ~~of this section.~~

16 ~~§ 1506. Fund.~~

17 ~~(a) Establishment and deposits. A special fund is~~  
18 ~~established within the State Treasury to be known as the Public~~  
19 ~~Transportation Trust Fund. The following shall be deposited into~~  
20 ~~the fund annually:~~

21 ~~(1) Funds under 75 Pa.C.S. § 8915.3(8) (relating to~~  
22 ~~lease of Interstate 80).~~

23 ~~(2) The amounts made available to the department as an~~  
24 ~~executive authorization and an appropriation for the 2007-~~  
25 ~~2008 fiscal year and each fiscal year thereafter from the~~  
26 ~~State Lottery Fund for the Free Transit Program for Senior~~  
27 ~~Citizens established under the act of August 26, 1971~~  
28 ~~(P.L.351, No.91), known as the State Lottery Law. These~~  
29 ~~revenues shall be used to provide free public transportation~~  
30 ~~service to senior citizens when passage is on fixed route~~

~~public transportation services, as authorized by Chapter 9 of the State Lottery Law and the free service shall be available to senior citizens at any time during the service provider's regular hours of service. With regard to passage on commuter rail service provided to senior citizens, the fare shall continue to be limited to \$1 per trip as provided under Chapter 9 of the State Lottery Law, but the limitation shall be extended to all hours of commuter rail service.~~

~~(3) Commencing July 1, 2007, 1.22% of the money collected from the tax imposed under Article II of the Tax Reform Code, up to a maximum of \$75,000,000.~~

~~(4) Commencing July 1, 2007, revenues deposited into the Public Transportation Assistance Fund established under Article XXIII of the Tax Reform Code to be used in accordance with subsection (b).~~

~~(5) Commencing July 1, 2007, 3.03% of the money collected from the tax imposed under Article III of the Tax Reform Code. Within 30 days of the close of a calendar month, 3.03% of the taxes received under Article III of the Tax Reform Code in the prior calendar month shall be transferred to the fund.~~

~~(6) Any other appropriations to the fund.~~

~~(b) Use of revenues.~~

~~(1) Money in the fund shall be used by the department to provide financial assistance to local transportation organizations, transportation companies and agencies and instrumentalities of the Commonwealth under this chapter, for costs incurred directly by the department in the administration of public passenger transportation programs, including under this chapter, and for all other purposes~~

1 ~~enumerated in this chapter.~~

2 ~~(2) Money in the fund is appropriated on a continuing~~  
3 ~~basis, upon approval of the Governor, to the department to be~~  
4 ~~used as provided in this chapter. Money in the fund shall not~~  
5 ~~lapse.~~

6 ~~(c) Programs. The fund is authorized to provide the~~  
7 ~~following:~~

8 ~~(1) Financial assistance related to operating expenses~~  
9 ~~to be known as the "operating program." To the extent funds~~  
10 ~~are available, an amount not less than \$810,000,000 of the~~  
11 ~~fund shall be allocated to this program in the first fiscal~~  
12 ~~year following the effective date of this section. Money in~~  
13 ~~the fund allocated to the operating program shall not be~~  
14 ~~increased by more than the inflation index in any year.~~

15 ~~(2) Financial assistance for improvements to capital~~  
16 ~~assets, replacement of capital assets and expansion of~~  
17 ~~capital assets to be known as the "asset improvement~~  
18 ~~program." An amount equal to the remaining money in the fund,~~  
19 ~~less the allocations under paragraphs (1), (3) and (4) shall~~  
20 ~~be allocated to this program in the first fiscal year~~  
21 ~~following the effective date of this section. Money in the~~  
22 ~~fund for this program may include proceeds of Commonwealth~~  
23 ~~capital bonds.~~

24 ~~(3) Financial assistance to fund new or expansions of~~  
25 ~~fixed guideway systems, to be known as the "new initiatives~~  
26 ~~program." An amount not greater than \$50,000,000 of the fund~~  
27 ~~shall be allocated to this program in the first fiscal year~~  
28 ~~following the effective date of this section.~~

29 ~~(4) Financial assistance related to programs of~~  
30 ~~Statewide significance as described in section 1516 (relating~~

~~to programs of Statewide significance) to be known as the "programs of Statewide significance program." To the extent funds are available, an amount not less than \$52,000,000 of the fund shall be allocated to this program in the first fiscal year following the effective date of this section.~~

~~§ 1507. Application and approval process.~~

~~(a) Application. An eligible applicant that wishes to receive financial assistance under this chapter shall submit a written application to the department, on a form developed by the department, which shall include the following:~~

~~(1) The name and address of the applicant.~~

~~(2) The name and telephone number of a contact person for the applicant.~~

~~(3) The amount and type of financial assistance requested and the proposed use of the funds.~~

~~(4) A statement as to the particular need for the financial assistance.~~

~~(5) A certified copy of a current resolution authorizing submission of the application if the applicant is a governing body.~~

~~(6) Evidence satisfactory to the department of the commitment for matching funds required under this chapter sufficient to match the projected financial assistance payments at the same times that the financial assistance payments are to be provided.~~

~~(7) Any other information the department deems necessary or desirable.~~

~~(b) Approval and award. Upon determining that an applicant has complied with this chapter, applicable rules and regulations and any other requirement with respect to the financial~~

~~1 assistance requested, the department may award financial  
2 assistance to the applicant, in which case the department and  
3 the applicant shall enter into a financial assistance agreement  
4 setting forth the terms and conditions upon which the financial  
5 assistance shall be used and the timing of payment of the funds.~~

~~6 (c) Restriction on use of funds. Financial assistance under  
7 this chapter shall be used only for activities authorized  
8 originally unless the department grants a waiver to the award  
9 recipient for a different use of the funds. The department's  
10 regulations shall describe circumstances under which it will  
11 consider the waivers and information to be included in a request  
12 for a waiver. The maximum duration of a waiver shall be one  
13 year, and a request for a waiver shall include a plan of  
14 corrective action to demonstrate that the award recipient does  
15 not have an ongoing need to use financial assistance funds for  
16 activities other than those for which funds were originally  
17 awarded.~~

~~18 § 1508. Federal funding.~~

~~19 (a) General rule. The department shall administer the  
20 program in this chapter with such flexibility as to permit full  
21 cooperation between Federal, State and local governments,  
22 agencies and instrumentalities, local transportation  
23 organizations and private interests, so as to result in as  
24 effective and economical a program as possible.~~

~~25 (b) Agreements. The department may enter into agreements  
26 for mutual cooperation between or among the department and a  
27 Federal agency, local transportation organization or  
28 transportation company concerning a project to be funded with  
29 financial assistance under this chapter, including joint  
30 applications for Federal grants.~~



1 ~~(c) General authority of department. The department may do~~  
2 ~~anything necessary or desirable to secure financial aid or~~  
3 ~~cooperation of a Federal agency in a project funded with~~  
4 ~~financial assistance under this chapter and to comply with a~~  
5 ~~Federal statute or lawful requirement of a Federal agency~~  
6 ~~authorized to administer a program of Federal aid to~~  
7 ~~transportation. The department may enter into a protective~~  
8 ~~agreement with organized labor to the extent required under 49~~  
9 ~~U.S.C. § 5333 (relating to labor standards) in order to obtain~~  
10 ~~Federal grant money for transportation assistance. Protective~~  
11 ~~agreements shall be narrowly drawn and strictly construed to~~  
12 ~~provide no more than the minimum protections required by the~~  
13 ~~United States Department of Labor for the agreements.~~

14 ~~(d) Direct recipients. Local transportation organizations~~  
15 ~~that are direct recipients of Federal funding shall be under no~~  
16 ~~obligation to enter into contracts with the department for~~  
17 ~~expenditure of those funds, except that the department may~~  
18 ~~require a contract for expenditure of the State portion of the~~  
19 ~~project assisted by those Federal funds.~~

20 ~~§ 1509. Limitation on decisions, findings and regulations of~~  
21 ~~department.~~

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

26 ~~§ 1510. Program oversight and administration.~~

27 ~~(a) Review and oversight. The department shall initiate and~~  
28 ~~maintain a program of financial and performance review and~~  
29 ~~oversight for all public transportation programs receiving~~  
30 ~~financial assistance under this chapter. The department may~~

1 ~~perform independent financial audits of each award recipient.~~  
2 ~~Audits shall be conducted in accordance with generally accepted~~  
3 ~~auditing standards and shall ensure compliance by award~~  
4 ~~recipients with this chapter, department regulations and~~  
5 ~~policies and financial assistance agreements.~~

6 ~~(b) State Rail Transit Safety Inspection Program. The~~  
7 ~~department may conduct a State Rail Transit Safety Inspection~~  
8 ~~Program, as may be defined from time to time by the Federal~~  
9 ~~Transit Administration, to meet oversight requirements of the~~  
10 ~~Federal Transit Administration. The public transportation modes~~  
11 ~~covered shall include heavy rail, light rail, trackless trolley~~  
12 ~~bus and inclined plane services and related facilities.~~

13 ~~§ 1511. Report to Governor and General Assembly.~~

14 ~~The department shall file a public passenger transportation~~  
15 ~~performance report with the Governor and the General Assembly by~~  
16 ~~April 30 of each year, covering the prior fiscal year.~~

17 ~~§ 1512. Coordination.~~

18 ~~Coordination is required in regions where two or more award~~  
19 ~~recipients have services or activities for which financial~~  
20 ~~assistance is being provided under this chapter to assure that~~  
21 ~~the services or activities are provided efficiently and~~  
22 ~~effectively.~~

23 ~~§ 1513. Operating program.~~

24 ~~(a) Eligible applicants. The governing body of a~~  
25 ~~municipality, county or instrumentality of either, a~~  
26 ~~Commonwealth agency or instrumentality or a local transportation~~  
27 ~~organization may apply for financial assistance under the~~  
28 ~~operating program.~~

29 ~~(b) Applications. In addition to information required under~~  
30 ~~section 1507 (relating to application and approval process), an~~

1 ~~application for financial assistance under this section shall~~  
2 ~~include the applicant's reasonable estimates of operating~~  
3 ~~revenue and government subsidies sufficient to cover all~~  
4 ~~projected operating expenses.~~

5 ~~(c) Distribution formula. The following distribution~~  
6 ~~formula shall be applied by the department with respect to the~~  
7 ~~award of an operating grant:~~

8 ~~(1) Twenty five percent of the award amount shall be~~  
9 ~~based on passengers;~~

10 ~~(2) Ten percent of the award amount shall be based on~~  
11 ~~senior passengers to offset free fares for senior passengers;~~

12 ~~(3) Thirty five percent of the award amount shall be~~  
13 ~~based on revenue vehicle hours;~~

14 ~~(4) Thirty percent of the award amount shall be based on~~  
15 ~~revenue vehicle miles.~~

16 ~~(d) Local match requirements.~~

17 ~~(1) Local or private cash funding shall be provided as a~~  
18 ~~match in the amount of 20% of the financial assistance being~~  
19 ~~provided. The following apply:~~

20 ~~(i) For the Fiscal Year 2007-2008, the minimum of~~  
21 ~~local or private cash funding required under this~~  
22 ~~paragraph shall be:~~

23 ~~(A) the match required for Fiscal Year 2006-~~  
24 ~~2007; and~~

25 ~~(B) 5% of the amount under clause (A).~~

26 ~~(ii) For each fiscal year after Fiscal Year 2007-~~  
27 ~~2008 until the match required under this paragraph is~~  
28 ~~reached, the minimum of local or private cash funding~~  
29 ~~required under this paragraph shall be:~~

30 ~~(A) the match required for the immediately~~

1 ~~preceding fiscal year; and~~

2 ~~(B) 5% of the amount under clause (A).~~

3 ~~(iii) There is no maximum on the local or private~~  
4 ~~cash funding required under this paragraph.~~

5 ~~(2) For financial assistance to a local transportation~~  
6 ~~organization, eligible local matching funds shall consist~~  
7 ~~only of cash contributions provided by one or more~~  
8 ~~municipalities or counties that are members of the local~~  
9 ~~transportation organization. The amount of the match and the~~  
10 ~~time period during which the match must continue to be~~  
11 ~~available shall be specified in the financial assistance~~  
12 ~~agreement. Funding provided by local and private entities,~~  
13 ~~including advertising or naming rights, may be eligible for~~  
14 ~~the match to the extent they provide for the cost of transit~~  
15 ~~service that is open to the public. The following shall not~~  
16 ~~be eligible for a local match:~~

17 ~~(i) Any form of transit operating revenue or other~~  
18 ~~forms of transit income provided by the local~~  
19 ~~transportation organization.~~

20 ~~(ii) Funds used to replace fares.~~

21 ~~(3) A county or municipality in a metropolitan area~~  
22 ~~which is a member of a local transportation organization is~~  
23 ~~authorized to provide annual financial assistance from~~  
24 ~~current revenues to the local transportation organization of~~  
25 ~~which it is a member or enter into a long term agreement for~~  
26 ~~payment of money to assist in defraying the costs of~~  
27 ~~operation, maintenance and debt service of the local~~  
28 ~~transportation organization or of a particular public~~  
29 ~~transportation project of a local transportation~~  
30 ~~organization. The obligation of a municipality or county~~

~~under an agreement pursuant to this paragraph shall not be considered to be a part of the indebtedness of the county or municipality, nor shall the obligation be deemed to impair the status of any indebtedness of the county or municipality which would otherwise be considered self sustaining.~~

~~(4) The following shall apply to the Southeastern Pennsylvania Transportation Authority:~~

~~(i) The local match provided by each jurisdiction shall be calculated by multiplying the total match required for State funding by the total of route miles provided in that jurisdiction as a percentage of the total route miles operated in all jurisdictions. Where appropriate, a transportation system may calculate the local match by mode or division, or both.~~

~~(ii) The department shall suspend funding of any capital project within any county that fails to meet its required matching funds requirement under this subsection, and a transportation system shall not expand service into any county that fails to meet its required matching funds under this subsection. During any time in which a county fails to meet its required matching funds under this subsection the county's representative on the governing body of the transporting organization shall become a nonvoting member of the governing body until such time that the county meets its local matching requirements.~~

~~(c) Performance reviews.—~~

~~(1) The department may conduct performance reviews of an award recipient that receives financial assistance under this section to determine the efficiency and effectiveness of the~~

~~financial assistance. Reviews shall be conducted at regular intervals as established by the department in consultation with the management of the award recipient. After completion of a review, the department shall issue a report that:~~

~~(i) highlights exceptional performance and identifies any problems that need to be resolved;~~

~~(ii) assesses performance, efficiency and effectiveness of the use of the funds;~~

~~(iii) makes recommendations on what follow up actions are required to remedy each problem; and~~

~~(iv) provides an action plan documenting who should perform the recommended actions and a time frame within which they should be performed.~~

~~(2) The department shall deliver the report to the Governor, to the Transportation Committee of the Senate and to the Transportation Committee of the House of Representatives. The department's regulations shall contain a description of the impact on both the amount of, and future eligibility for, receipt of financial assistance under this chapter based upon the degree to which the local transportation organization complies with the recommendations in the report. The department shall develop a list of best practices revealed by the reports issued under this subsection and shall post them on the department's Internet website.~~

~~(f) Performance criteria. Criteria used for the reviews conducted under subsection (c) shall consist of passengers per revenue vehicle hour, operating costs per revenue vehicle hour, operating revenue per revenue vehicle hour, operating costs per passenger and other items as the department may establish. The~~

1 ~~department's regulations shall set forth the minimum system~~  
2 ~~performance criteria that an award recipient must satisfy.~~

3 ~~(g) Failure to satisfy minimum performance criteria. If a~~  
4 ~~performance review conducted under subsection (c) reveals:~~

5 ~~(1) that the performance of an award recipient's~~  
6 ~~transportation system has decreased compared to performance~~  
7 ~~determined through a prior review, the department may, upon~~  
8 ~~the written request of an award recipient, waive any~~  
9 ~~requirement for a reduction in the amount of financial~~  
10 ~~assistance to be awarded under this section for a reasonable~~  
11 ~~time period to allow the award recipient to bring the system~~  
12 ~~back to the required performance level. The award recipient~~  
13 ~~shall provide written justification for providing a time~~  
14 ~~period longer than two years. In order to obtain the waiver~~  
15 ~~for the period requested, the award recipient must do all of~~  
16 ~~the following:~~

17 ~~(i) Develop an action plan to improve system~~  
18 ~~performance that contains key measurable milestones. The~~  
19 ~~action plan must be acceptable to the department and must~~  
20 ~~be approved by the department in writing.~~

21 ~~(ii) Submit quarterly progress reports on the action~~  
22 ~~plan to the department.~~

23 ~~(2) The department shall review and evaluate the award~~  
24 ~~recipient's progress to determine if the system has improved.~~  
25 ~~If the system has improved, funding will be determined by the~~  
26 ~~formula under subsection (c), and the award recipient will be~~  
27 ~~eligible for full formula funding. If the system has not~~  
28 ~~improved at the end of the time period established for~~  
29 ~~improvement, the waiver will be withdrawn. Expenses incurred~~  
30 ~~by the award recipient as a result of the failure of the~~

1 ~~award recipient's system to meet the minimum performance~~  
2 ~~criteria shall be borne by the award recipient.~~

3 ~~(h) Adjustments to minimum performance criteria. Upon~~  
4 ~~written request of a recipient of financial assistance under~~  
5 ~~this section, the department may approve adjustments to the~~  
6 ~~minimum performance criteria described in subsection (g) in a~~  
7 ~~given year if situations arise that affect performance of the~~  
8 ~~award recipient's system and are out of the award recipient's~~  
9 ~~control. Examples are labor strikes, infrastructure failures and~~  
10 ~~natural disasters. The request must include the award~~  
11 ~~recipient's justification for the adjustment.~~

12 ~~(i) Periodic review of formula. The department, in~~  
13 ~~consultation with all award recipients, shall review the~~  
14 ~~distribution formula established under subsection (c) at least~~  
15 ~~once every three years and, prior to the start of the next~~  
16 ~~succeeding fiscal year, shall recommend adjustments it deems~~  
17 ~~appropriate. If an adjustment results in a change of five~~  
18 ~~percentage points or less in any category, the department shall~~  
19 ~~forward a notice of the change to the Legislative Reference~~  
20 ~~Bureau for publication in the Pennsylvania Bulletin, and the~~  
21 ~~change shall take effect at the commencement of the next fiscal~~  
22 ~~year. If an adjustment results in a change in excess of five~~  
23 ~~percentage points in any category, the change shall be~~  
24 ~~incorporated into the department's regulations by amendment and~~  
25 ~~shall take effect at the commencement of the next fiscal year~~  
26 ~~following promulgation of the amendment.~~

27 ~~(j) Needs based adjustment. In order to allow an award~~  
28 ~~recipient that was receiving financial assistance under former~~  
29 ~~Chapter 13 (relating to public transportation assistance) prior~~  
30 ~~to the effective date of this section to transition into the~~



1 ~~funding formula established under subsection (c), the department~~  
2 ~~shall provide the award recipient, as part of the award under~~  
3 ~~this section, with a needs based adjustment. The needs based~~  
4 ~~adjustment shall be calculated by increasing the amount that the~~  
5 ~~award recipient received under Chapter 13 for operating expenses~~  
6 ~~and asset maintenance costs in the 2005 2006 fiscal year and~~  
7 ~~increasing the resulting amount by an adjustment factor to~~  
8 ~~assure a funding level consistent with the operating funding~~  
9 ~~needs as identified by the department. Funds remaining after the~~  
10 ~~needs based adjustment is applied shall be set aside in an~~  
11 ~~operating reserve account to be used at the department's~~  
12 ~~discretion for short term public passenger transportation needs.~~  
13 ~~The department's regulations shall establish the manner in which~~  
14 ~~the funds in the reserve account may be used.~~

15 ~~(k) Growth caps. Each fiscal year after the fiscal year in~~  
16 ~~which the department provides a needs based adjustment under~~  
17 ~~subsection (i), the department shall determine the maximum~~  
18 ~~percentage increase that an award recipient shall be eligible to~~  
19 ~~receive for operating expenses in addition to an increase tied~~  
20 ~~to the inflation index amount. The maximum percentage increase~~  
21 ~~shall be capped at the inflation index rate of the award~~  
22 ~~recipient's transportation system's passengers per revenue hour,~~  
23 ~~or revenue per revenue vehicle hour performance, falls below~~  
24 ~~peer system average or if the operating cost per revenue hour or~~  
25 ~~operating cost per passenger exceeds the peer system average.~~  
26 ~~Notwithstanding the provisions of this subsection, money~~  
27 ~~available for financial assistance under this section shall at~~  
28 ~~all times be capped by the amount of money in the fund allocated~~  
29 ~~for the operating program.~~

30 ~~(l) Operating reserve. The department may establish a~~

~~1 limitation on the amount of financial assistance awarded under  
2 this section that may be carried over for use in subsequent  
3 fiscal years.~~

~~4 (m) Certification. The Commonwealth shall not provide  
5 financial assistance to a municipality under this section unless  
6 the municipality certifies the amount of its local match under  
7 subsection (d).~~

~~8 § 1514. Asset improvement program.~~

~~9 (a) Eligible applicants. A local transportation  
10 organization, an agency or instrumentality of the Commonwealth,  
11 an entity responsible for coordinating community transportation  
12 program services, or any other person the department deems to be  
13 eligible may apply to the department for financial assistance  
14 under the asset improvement program. The department shall  
15 develop and maintain four year and twelve year plans that  
16 summarize the capital projects and financial assistance for  
17 capital projects based upon cash flow and revenue projections  
18 for the fund.~~

~~19 (b) Applications. In addition to information required under  
20 section 1507 (relating to application and approval process), an  
21 application for financial assistance under this section shall  
22 include the following:~~

~~23 (1) Evidence satisfactory to the department that the  
24 proposed capital project is included in the first year of the  
25 applicant's four year capital program and its federally  
26 approved Transportation Improvement Program.~~

~~27 (2) If an applicant is requesting financial assistance  
28 for replacement of capital assets, evidence satisfactory to  
29 the department that the capital assets to be replaced have  
30 exceeded the useful life criteria as defined by the~~

1 ~~department. At its discretion, the department may approve~~  
2 ~~funding to replace capital assets that do not exceed the~~  
3 ~~useful life criteria if the applicant provides documentation~~  
4 ~~acceptable to the department to justify the early replacement~~  
5 ~~of the capital assets.~~

6 ~~(3) If the applicant is requesting financial assistance~~  
7 ~~for expansion of capital assets, evidence satisfactory to the~~  
8 ~~department that the applicant will have sufficient future~~  
9 ~~annual operating funds to support the proposed expansion of~~  
10 ~~the assets.~~

11 ~~(4) Any other information required by the department,~~  
12 ~~including a return on investment analysis or a life cycle~~  
13 ~~cost analysis, or both.~~

14 ~~(c) Local match requirements. Financial assistance under~~  
15 ~~this section shall be matched by local or private cash funding~~  
16 ~~in an amount not less than 20% of the amount of the financial~~  
17 ~~assistance. The source of funds for the local match shall be~~  
18 ~~subject to the requirements of section 1513(d) (relating to~~  
19 ~~operating program). Each capital project shall be based on the~~  
20 ~~plan approved by the department.~~

21 ~~(d) Conditions for receipt of bond funding. An applicant~~  
22 ~~may receive proceeds of Commonwealth capital bonds from the fund~~  
23 ~~for financial assistance under this section if all of the~~  
24 ~~following conditions are met:~~

25 ~~(1) The applicant's project has been authorized by a~~  
26 ~~capital budget project itemization act.~~

27 ~~(2) The applicant's project shall have been included in~~  
28 ~~the department's approved annual release request approving~~  
29 ~~the use of the funds for the proposed capital project in the~~  
30 ~~fiscal year in which the funds are expected to be expended.~~

1           ~~(3) The department shall have approved the underlying~~  
2           ~~application for the capital project.~~

3           ~~(4) The project has a 20 year or longer useful life.~~

4           ~~(c) Priorities. The award of financial assistance under~~  
5           ~~this section shall be subject to the following set of priorities~~  
6           ~~in descending order of significance unless a compelling return~~  
7           ~~on investment analysis for a project in a lower significant~~  
8           ~~category is provided to and approved by the department:~~

9           ~~(1) Funds required to support existing local bond issues~~  
10           ~~currently supported with State revenue sources, such as debt~~  
11           ~~service and asset leases. The Commonwealth pledges to and~~  
12           ~~agrees with any person, firm or corporation holding any bonds~~  
13           ~~previously issued by, or any other debt incurred by, a local~~  
14           ~~transportation organization, and secured in whole or part by~~  
15           ~~a pledge of the funds provided to the local transportation~~  
16           ~~organization from the Public Transportation Assistance Fund~~  
17           ~~established under Article XXIII of the Tax Reform Code, that~~  
18           ~~the Commonwealth will not limit or alter rights vested in a~~  
19           ~~local transportation organization in any manner inconsistent~~  
20           ~~with obligations of the local transportation organization to~~  
21           ~~the obligees of the local transportation organization until~~  
22           ~~all bonds previously issued or other debt incurred, together~~  
23           ~~with the interest thereon, is fully paid or provided for.~~

24           ~~(2) Funds required to match federally approved capital~~  
25           ~~projects funded under 49 U.S.C. §§ 5307 (relating to~~  
26           ~~urbanized area formula grants) and 5309 (relating to capital~~  
27           ~~investment grants and loans) and other federally approved~~  
28           ~~capital projects.~~

29           ~~(3) Other non Federal capital projects as determined by~~  
30           ~~the department, which shall be further subject to the~~

~~following set of priorities in descending order of  
significance:~~

~~(i) Essential emergency asset improvement projects.~~

~~(ii) Standard replacement of existing assets that  
have exceeded their useful life.~~

~~(iii) Asset improvement projects to extend the  
useful life of the affected assets.~~

~~(iv) Acquisition of new assets and other acceptable  
purposes, other than projects to be funded under the new  
initiatives program, as determined by the department.~~

~~(f) Bonding by award recipients. With the approval of the  
department, an award recipient that is allowed by its enabling  
statute to issue bonds may do so for the purpose of financing a  
multiyear capital project. The bonds shall be issued in  
accordance with the provisions of the award recipient's enabling  
statute. The department shall enter into an agreement with the  
award recipient providing that payments of the capital funds  
sufficient to satisfy requirements of the bonds issued be made  
directly to the trustee and bond holders until such time as the  
bonds are retired.~~

~~(g) Certification. The Commonwealth shall not provide  
financial assistance to a municipality under this section unless  
the municipality certifies the amount of its local match under  
subsection (c).~~

~~§ 1515. New initiatives program.~~

~~(a) Eligible applicants. Persons eligible to apply for  
financial assistance under the asset improvement program shall  
also be eligible to apply for financial assistance under the new  
initiatives program.~~

~~(b) Applications. In addition to the information required~~

~~1 under section 1507 (relating to application and approval  
2 process), an application for financial assistance under this  
3 section shall include all of the information required in an  
4 application for financial assistance under section 1514  
5 (relating to asset improvement program). If the application is  
6 for a proposed expansion of a capital asset, the application  
7 shall also contain evidence satisfactory to the department that  
8 the applicant will have sufficient future annual operating funds  
9 to support the proposed expansion.~~

~~10 (c) Limitation. In making awards of financial assistance  
11 under this section, the department shall give priority to  
12 applicants that intend to use the funds in satisfaction of the  
13 local matching portion of federally approved projects funded  
14 pursuant to 49 U.S.C. § 5309 (relating to capital investment  
15 grants and loans). The department may fund projects that do not  
16 receive funding from the Federal New Starts Program if the  
17 applicant can provide sufficient justification that the project  
18 can meet all of the following requirements:~~

~~19 (1) Investments in existing service areas have been  
20 optimized.~~

~~21 (2) An analysis reveals a reasonable return on  
22 investment.~~

~~23 (3) Identification of the public benefit of the project.~~

~~24 (4) Required local funds are available to pay any  
25 required local match for the project and ongoing operating  
26 costs.~~

~~27 (5) There exists local technical ability and capacity to  
28 manage, construct and operate the project.~~

~~29 (6) The project is supported by the adoption of an  
30 integrated land use plan by local municipalities.~~

~~(d) Local match requirements. Financial assistance under this section shall be matched by local or private cash funding in an amount not less than 100% of the amount of the grant. The source of funds for the local match shall be subject to the requirements of section 1513(d) (relating to operating program).~~

~~(e) Certification. The Commonwealth shall not provide financial assistance to a municipality under this section unless the municipality certifies the amount of its local match under subsection (d).~~

~~§ 1516. Programs of Statewide significance.~~

~~(a) General rule. Money in the fund allocated for programs of Statewide significance shall be used by the department to support public transportation programs, activities and services not otherwise fully funded through the operating program, capital program or asset improvement program. These include the following:~~

~~(1) The Persons with Disabilities Program.~~

~~(2) Intercity and commuter rail and bus services.~~

~~(3) Community transportation capital and service stabilization.~~

~~(4) The Welfare to Work Program and matching funds for Federal programs with similar intent.~~

~~(5) Demonstration and research projects.~~

~~(6) Technical assistance.~~

~~(7) (Reserved).~~

~~(8) (Reserved).~~

~~(9) (Reserved).~~

~~(10) (Reserved).~~

~~(11) Other public passenger transportation programs initiated by the department.~~

~~(b) Persons with disabilities. The department shall establish and administer a program providing reduced fares to persons with disabilities on community transportation services and to provide financial assistance for start up, administrative and capital expenses related to reduced fares for persons with disabilities. All of the following shall apply:~~

~~(1) A community transportation system operating in the Commonwealth other than in counties of the first and second class may apply for financial assistance under this subsection.~~

~~(2) The department may award financial assistance under this subsection for program start up and for continuing capital expenses to offset administrative and capital expenses. For community transportation trips made by eligible persons with disabilities, financial assistance may be awarded to an eligible community transportation system to reimburse the system for up to 85% of the fare established for the general public for each trip which is outside of a fixed route and paratransit service areas and not eligible for funding from any other program or funding source. The person making the trip or an approved third party sponsor shall contribute the greater of 15% of the fare established for the general public or the Americans with Disabilities Act complementary paratransit fare.~~

~~(c) Intercity transportation. The department is authorized to provide financial support for an efficient and coordinated intercity common carrier surface transportation program, consisting of both intercity rail and intercity bus transportation, with the intent of sustaining strong intercity connections. All of the following shall apply:~~



~~(1) An intercity passenger rail service provider, a local transportation organization, an agency or instrumentality of the Commonwealth and a transportation company that provides intercity public transportation service may apply for financial assistance under this subsection. The department is authorized to enter into joint service agreements with a railroad company, any other agency or instrumentality of the Commonwealth, a Federal agency or an agency or instrumentality of any other jurisdiction relating to property, buildings, structures, facilities, services, rates, fares, classifications, dividends, allowances or charges, including charges between intercity rail passenger service facilities, or rules or regulations pertaining thereto, for or in connection with or incidental to transportation in whole or in part upon intercity rail passenger service facilities.~~

~~(2) Operating assistance and capital assistance may be provided for intercity bus and rail services as determined by the department.~~

~~(3) For financial assistance to a transportation company, eligible matching funds shall consist only of cash income generated by the transportation company from its activities, other than the provision of public passenger transportation service, and contributed by the transportation company in the amount and for the time period specified in the financial assistance agreement.~~

~~(4) Local match requirements are as follows:~~

~~(i) For intercity bus operating and capital assistance, the department shall require a local match by local or private cash funding in an amount equal to 100%~~

~~of the amount of the financial assistance being provided.~~

~~(ii) For intercity rail operating and capital assistance, the department shall require a local match on a case by case basis, taking into account the best interests of the Commonwealth.~~

~~(5) For purposes of this subsection, "local match" is defined as local revenue obtained from other nonsubsidized services, such as charter, school bus or profits realized from other intercity bus services. Local match shall not include any funds received from Federal or State sources.~~

~~(d) Community transportation.~~

~~(1) The department is authorized to provide financial assistance under this section for all of the following:~~

~~(i) Capital expenditures for the provision of community transportation service.~~

~~(ii) To stabilize current service and fares.~~

~~(iii) To provide advice or technical assistance to analyze and enhance community transportation system resources and services.~~

~~(iv) To maximize available funding including Federal dollars.~~

~~(v) To ensure equitable cost sharing.~~

~~(2) The governing body of a county, other than a county of the first or second class, or a transportation company designated by the governing body of the county as the coordinator of community transportation service, and an agency or instrumentality of the Commonwealth may apply for financial assistance under this subsection subject to all of the following:~~

~~(i) An applicant for financial assistance for~~

~~capital expenditures for the provision of public community transportation service shall certify to the department that it has taken all reasonable steps to coordinate local service for the elderly and persons with disabilities and that the services to be offered with the capital assets do not duplicate existing fixed route services.~~

~~(ii) The governing body of a county or the coordinator described under this paragraph shall not be eligible for financial assistance for service stabilization if any of the following apply:~~

~~(A) The coordinator receives financial assistance under the operating program established under this chapter.~~

~~(B) The coordinator is a private for profit provider.~~

~~(3) Financial assistance for service stabilization may only be provided for the following purposes:~~

~~(i) Short term, long term and strategic planning.~~

~~(ii) Technology investment.~~

~~(iii) Training programs designed to enhance transportation management and staff expertise.~~

~~(iv) Offsetting operating expenses that cannot be covered by fare revenue due to emergencies.~~

~~(v) Marketing activities.~~

~~(vi) Other stabilization purposes approved by the department.~~

~~(4) The department shall give high priority to providing financial assistance under this subsection as match for Federal funding to support capital projects for community~~

1 ~~transportation systems.~~

2 ~~(5) The department shall conduct a study to evaluate the~~  
3 ~~effectiveness and efficiency of community transportation~~  
4 ~~service delivery as it relates to human service programs. The~~  
5 ~~Department of Public Welfare, the Office of the Budget and~~  
6 ~~the Department of Aging and other appropriate Commonwealth~~  
7 ~~agencies identified by the department shall participate and~~  
8 ~~fully support the study to achieve the intended purposes.~~  
9 ~~Within two years following the effective date of this~~  
10 ~~section, these agencies shall make recommendations to the~~  
11 ~~Governor and the Majority and Minority chairpersons of the~~  
12 ~~Transportation Committee of the Senate and the Majority and~~  
13 ~~Minority chairpersons of the Transportation Committee of the~~  
14 ~~House of Representatives for improving coordination and~~  
15 ~~efficiency of human services and community transportation.~~

16 ~~(c) Welfare to work and Federal programs match. The~~  
17 ~~department is authorized to provide financial assistance under~~  
18 ~~this section to design and implement projects and services and~~  
19 ~~to reimburse award recipients for the expenses associated with~~  
20 ~~the projects and services that identify and address public~~  
21 ~~passenger transportation and related barriers preventing~~  
22 ~~individuals eligible for participation in the Federal welfare-~~  
23 ~~to work program from securing and maintaining employment and~~  
24 ~~from accessing community services and facilities. All of the~~  
25 ~~following shall apply:~~

26 ~~(1) A local transportation organization, a~~  
27 ~~transportation company designated by a county as the~~  
28 ~~coordinator of community transportation services and any~~  
29 ~~other person approved by the department may apply to the~~  
30 ~~department for financial assistance under this subsection.~~

1           ~~(2) Financial assistance awarded under this subsection~~  
2 ~~shall be used for any of the following purposes:~~

3           ~~(i) Fixed route service subsidy.~~

4           ~~(ii) Contracted transportation services.~~

5           ~~(iii) Fixed route fare discounts.~~

6           ~~(iv) Community transportation fare discounts.~~

7           ~~(v) Taxi fare discounts.~~

8           ~~(vi) Mileage reimbursement.~~

9           ~~(vii) Vehicle purchase, insurance, maintenance and~~  
10 ~~repair.~~

11           ~~(viii) Driver education classes.~~

12           ~~(ix) Administrative expenses.~~

13           ~~(x) Case management expenses.~~

14           ~~(xi) Any other activities consistent with the~~  
15 ~~transportation related elements of the welfare to work~~  
16 ~~program.~~

17           ~~(3) The department shall give high priority to providing~~  
18 ~~financial assistance under this subsection as match for~~  
19 ~~Federal funding to support projects with similar purposes and~~  
20 ~~eligible uses, including the Federal Job Access Reverse~~  
21 ~~Commute and New Freedoms programs.~~

22           ~~(f) Technical assistance and demonstration. The department~~  
23 ~~is authorized to provide financial assistance under this section~~  
24 ~~for technical assistance, research and short term demonstration~~  
25 ~~projects. All of the following shall apply:~~

26           ~~(1) A local transportation organization or an agency or~~  
27 ~~instrumentality of the Commonwealth may apply to the~~  
28 ~~department for financial assistance under this subsection.~~

29           ~~(2) Financial assistance provided under this subsection~~  
30 ~~may be used for reimbursement for any approved operating or~~

~~capital costs related to technical assistance and demonstration program projects. Financial assistance for short term demonstration projects may be provided at the department's discretion on an annual basis based on the level of financial commitment provided by the award recipient to provide ongoing future funding for the project as soon as the project meets the criteria established by the department and the award recipient. Financial assistance for this purpose shall not be provided for more than three fiscal years. Financial assistance may be provided to meet any short term emergency need that requires immediate attention and cannot be funded through other sources.~~

~~(3) Financial assistance under this subsection provided to a local transportation organization shall be matched by local or private cash funding in an amount not less than 3 1/3% of the amount of the financial assistance being provided. The sources of funds for the local match shall be subject to the requirements of section 1513(d) (relating to operating program).~~

~~§ 1517. Program oversight and administration.~~

~~The department is authorized to use available money in the fund to cover the costs incurred by the department in administering all of its public passenger transportation funding programs, including those established under this chapter, and incurred in the carrying out of its responsibilities with respect to the programs.~~

~~§ 1518. Retroactive authority.~~

~~(a) Date of project. Financial assistance may be awarded under this chapter by the department with reference to an appropriate project irrespective of when it was first commenced~~

1 ~~or considered and regardless of whether costs with respect to~~  
2 ~~the project were incurred prior to the time the financial~~  
3 ~~assistance is applied for or provided.~~

4 ~~(b) Capital projects.—~~

5 ~~(1) For capital projects, the applicant must obtain~~  
6 ~~approval in writing from the department prior to incurring~~  
7 ~~any expenses for which the applicant may later seek~~  
8 ~~reimbursement.~~

9 ~~(2) Notwithstanding paragraph (1), approval by the~~  
10 ~~department shall not constitute an approval of the~~  
11 ~~applicant's underlying request for financial assistance.~~

12 ~~(3) By providing preapproval under this subsection, the~~  
13 ~~department may recognize any local funds already expended as~~  
14 ~~satisfying the local match requirement if and when the~~  
15 ~~applicant's application is approved.~~

16 Section 2.1. Sections 1713(a) and 1715(a) of Title 74 are  
17 amended to read:

18 § 1713. Appointment of board members.

19 (a) Appointment. Except as provided in subsection (d) with  
20 respect to the continuation in office of members of the board of  
21 any authority established under the former provisions of Article  
22 III of the act of January 22, 1968 (P.L.42, No.8), known as the  
23 Pennsylvania Urban Mass Transportation Law, or the former  
24 provisions of Chapter 15 (relating to metropolitan  
25 transportation authorities), at any time after the effective  
26 date of this chapter:

27 (1) The Governor may appoint as a member of the board  
28 one person who may be an ex officio appointee from among the  
29 various officials in this Commonwealth and whose term as a  
30 board member shall run concurrently with that of his

1 Commonwealth position, if any, or the term of the appointing  
2 Governor, whichever is shorter.

3 ~~(2) The Majority Leader and the Minority Leader of the~~  
4 ~~Senate and the Majority Leader and the Minority Leader of the~~  
5 ~~House of Representatives may each appoint one person to serve~~  
6 ~~as a board member, whose term shall be concurrent with the~~  
7 ~~term and who shall serve at the pleasure of the appointing~~  
8 ~~legislative leader.~~

9 ~~(3) The county commissioners or the county council in~~  
10 ~~each county and, in any county of the first class containing~~  
11 ~~a city of the first class, the mayor, with the approval of~~  
12 ~~the city council, may appoint [two] persons from each county~~  
13 ~~to serve as board members[.] as follows:~~

14 ~~(i) Two members for counties which contribute less~~  
15 ~~than 7.5% of total local match required for State~~  
16 ~~operating financial assistance.~~

17 ~~(ii) Three members for counties which contribute at~~  
18 ~~least 7.5% but less than 25% of total local match~~  
19 ~~required for State operating financial assistance.~~

20 ~~(iii) Four members for counties which contribute at~~  
21 ~~least 25% of total local match required for State~~  
22 ~~operating financial assistance.~~

23 ~~(4) On the effective date of this paragraph, any county~~  
24 ~~which has a member of the board in excess of the number~~  
25 ~~allotted under paragraph (3) will lose an appointment to the~~  
26 ~~board upon the expiration of the term of the member whose~~  
27 ~~term expires next, or if there is a vacancy, may not appoint~~  
28 ~~a person to fill the vacancy.~~

29 ~~(5) The Secretary of Budget shall be a nonvoting member.~~

30 ~~(6) The Secretary of Transportation or his deputy~~



1 ~~secretary shall be a nonvoting member.~~

2 ~~(7) Each member appointed by a county shall have a~~  
3 ~~professional background expertise or substantial experience~~  
4 ~~in one or more of the following areas:~~

5 ~~(i) Transportation.~~

6 ~~(ii) Finance.~~

7 ~~(iii) Law.~~

8 ~~(iv) Tourism.~~

9 ~~(v) Ridership community groups.~~

10 ~~(vi) Land use and urban planning.~~

11 \* \* \*

12 ~~§ 1715. Meetings, quorum, officers and records.~~

13 ~~(a) Meetings. Regular meetings of the board shall be held~~  
14 ~~in the metropolitan area at least once in each calendar month~~  
15 ~~except July or August, the time and place of the meetings to be~~  
16 ~~fixed by the board. A majority of the board shall constitute a~~  
17 ~~quorum for the transaction of business. All action of the board~~  
18 ~~shall be by resolution, and the affirmative vote of a majority~~  
19 ~~of all the members shall be necessary for the adoption of any~~  
20 ~~resolution. No action by the board to which an express objection~~  
21 ~~has been made, under this section, by a board member or members~~  
22 ~~representing a county or counties having one third or more of~~  
23 ~~the population of the metropolitan area, as determined by the~~  
24 ~~most recent decennial census, shall be carried unless supported~~  
25 ~~at a subsequent regular meeting of the board by the votes of at~~  
26 ~~least [three quarters] 70% of the voting membership of the~~  
27 ~~board. In case of disagreement between members representing the~~  
28 ~~same county, each member shall be deemed to represent [one half]~~  
29 ~~an equal proportion of the population of that county.~~

30 \* \* \*

1 Section 2.2. Title 74 is amended by adding a chapter to  
2 read:

3 CHAPTER 81

4 TURNPIKE

5 Sec.

6 8101. Scope of chapter.

7 8102. Definitions.

8 8103. (Reserved).

9 8104. Status of turnpike revenue bonds, notes or other  
10 obligations.

11 8105. Commission.

12 8106. Exercise of commission powers.

13 8107. Commission powers and duties.

14 8108. Expenses and bonding of commission members.

15 8109. Acquisition of property rights by commission.

16 8110. Procedural requirements of acquisition.

17 8111. Entry and possession of property condemned.

18 8112. Issuance of turnpike revenue bonds or other  
19 obligations.

20 8113. Obligation proceeds restricted and lien created.

21 8114. Trust indenture authorized.

22 8115. Commission and obligations tax exempt.

23 8116. Collection and disposition of tolls and other revenue.

24 8116.1. Electronic toll collection.

25 8117. Refunding bonds.

26 8118. Rights of obligation holders and trustees.

27 8119. Authority granted to secretary.

28 8120. Construction of chapter.

29 § 8101. Scope of chapter.

30 This chapter relates to turnpike organization, extension and

1 ~~toll road conversion.~~

2 ~~§ 8102. Definitions.~~

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

6 ~~"Commission." The Pennsylvania Turnpike Commission.~~

7 ~~"Cost of the turnpikes." The term includes the cost of:~~

8 ~~(1) Constructing turnpikes, connecting roads, storm~~  
9 ~~water management systems, tunnels and bridges.~~

10 ~~(2) Lands, property rights, rights of way, easements and~~  
11 ~~franchises acquired by purchase or other means deemed~~  
12 ~~necessary or convenient for construction.~~

13 ~~(3) Machinery and equipment, financing charges and~~  
14 ~~interest prior to construction, during construction and for~~  
15 ~~one year after completion of construction.~~

16 ~~(4) Traffic estimates, engineering and legal expenses,~~  
17 ~~plans, specifications, surveys, cost and revenue estimates,~~  
18 ~~other expenses necessary or incident to determining the~~  
19 ~~feasibility or practicability of the enterprise,~~  
20 ~~administrative and legal expense and other expenses as may be~~  
21 ~~necessary or incident to financing authorized in this~~  
22 ~~chapter.~~

23 ~~(5) Condemnation or other means of acquisition of~~  
24 ~~property necessary for the construction and operation.~~

25 ~~(6) An obligation or expense contracted for by the~~  
26 ~~commission with the department or with the United States or a~~  
27 ~~Federal agency for any of the following:~~

28 ~~(i) Traffic surveys, preparation of plans and~~  
29 ~~specifications, supervision of construction and other~~  
30 ~~engineering and administrative and legal services and~~

~~expenses in connection with the construction of the  
turnpike or any of the connecting roads, storm water  
management systems, tunnels and bridges.~~

~~(ii) Costs of reimbursing the Federal Government  
pursuant to the mandates of the Federal law for Federal  
funds expended for interstate or other highways which are  
to be made part of the turnpike system pursuant to this  
chapter.~~

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

~~"Electronic toll collection."—A system of collecting tolls  
or charges that is capable of charging an account holder for the  
prescribed toll by electronic transmission of information  
between a device on a vehicle and a device in a toll lane at a  
toll collection facility.~~

~~"Lessee."—A person, corporation, firm, partnership, agency,  
association or organization that rents, leases or contracts for  
the use of a vehicle and has exclusive use of the vehicle for  
any period of time.~~

~~"Lessor."—A person, corporation, firm, partnership, agency,  
association or organization engaged in the business of renting  
or leasing vehicles to any lessee under a rental agreement,  
lease or other agreement under which the lessee has the  
exclusive use of the vehicle for any period of time.~~

~~"Operator."—An individual that uses or operates a vehicle  
with or without permission of the owner.~~

~~"Owner."—Except as provided under section 8116.1(e)  
(relating to electronic toll collection), an individual,  
copartnership, association or corporation having title or  
interest in a property right, easement or franchise authorized~~

1 ~~to be acquired under this chapter.~~

2 ~~"Secretary."—The Secretary of Transportation of the~~  
3 ~~Commonwealth.~~

4 ~~"Toll road conversion."—The inclusion within the turnpike~~  
5 ~~system and the imposition of tolls on the system of a highway~~  
6 ~~that is presently toll free.~~

7 ~~"Turnpikes."—Any of the following:~~

8 ~~(1) The turnpike, turnpike extensions and turnpike~~  
9 ~~improvements.~~

10 ~~(2) Toll free roads to be converted to toll roads under~~  
11 ~~this chapter.~~

12 ~~(3) Related storm water management systems, tunnels and~~  
13 ~~bridges, property rights, easements and franchises deemed~~  
14 ~~necessary or convenient for the construction or the operation~~  
15 ~~of the turnpike, turnpike extension, turnpike improvement and~~  
16 ~~toll free roads.~~

17 ~~"Vehicle."—The term as it is defined under 75 Pa.C.S. § 102~~  
18 ~~(relating to definitions).~~

19 ~~"Violation enforcement system."—A vehicle sensor, placed in~~  
20 ~~a location to work in conjunction with a toll collection~~  
21 ~~facility, which automatically produces a videotape or~~  
22 ~~photograph, microphotograph or other recorded image of the rear~~  
23 ~~portion of each vehicle at the time the vehicle is used or~~  
24 ~~operated in violation of the toll collection regulations. The~~  
25 ~~term includes any other technology which identifies a vehicle by~~  
26 ~~photographic, electronic or other method.~~

27 ~~§ 8103.—(Reserved).~~

28 ~~§ 8104.—Status of turnpike revenue bonds, notes or other~~  
29 ~~obligations.~~

30 ~~(a) General rule.—The turnpike revenue bonds, notes or~~

1 ~~other obligations issued under the provisions of this chapter~~  
2 ~~shall not be deemed to be a debt of the Commonwealth or a pledge~~  
3 ~~of the faith and credit of the Commonwealth, but bonds, notes or~~  
4 ~~other obligations shall be payable solely from the revenues of~~  
5 ~~the commission, including tolls, or from funds as may be~~  
6 ~~available to the commission for that purpose.~~

7 ~~(b) Statement required. All bonds, notes or other~~  
8 ~~obligations shall contain a statement on their face that the~~  
9 ~~Commonwealth is not obligated to pay the same or the interest~~  
10 ~~thereon except from revenues of the commission, including tolls,~~  
11 ~~or from funds as may be available to the commission for that~~  
12 ~~purpose and that the faith and credit of the Commonwealth is not~~  
13 ~~pledged to the payment of the principal or interest of the~~  
14 ~~bonds, notes or other obligations.~~

15 ~~(c) Pledge of Commonwealth prohibited. The issuance of~~  
16 ~~turnpike revenue bonds, notes or other obligations under the~~  
17 ~~provisions of this chapter shall not directly or indirectly or~~  
18 ~~contingently obligate the Commonwealth to levy or to pledge any~~  
19 ~~form of taxation or to make any appropriation for their payment.~~

20 ~~§ 8105. Commission.~~

21 ~~(a) Members.—~~

22 ~~(1) Notwithstanding any other law to the contrary,~~  
23 ~~vacancies in the membership of the commission on or after the~~  
24 ~~effective date of this subsection shall be filled as follows:~~

25 ~~(i) The first vacancy shall be filled by a member to~~  
26 ~~be appointed by the Majority Leader of the Senate.~~

27 ~~(ii) The second vacancy shall be filled by a member~~  
28 ~~to be appointed by the Minority Leader of the Senate.~~

29 ~~(iii) The succeeding two vacancies shall be filled~~  
30 ~~by members to be appointed by the Governor.~~

1           ~~(2) Paragraph (1) shall apply to a vacancy on the~~  
2           ~~commission which has occurred for any reason, but only as to~~  
3           ~~a member serving on the effective date of this subsection.~~

4           ~~(3) Notwithstanding any other law to the contrary, the~~  
5           ~~Majority Leader of the House of Representatives and the~~  
6           ~~Minority Leader of the House of Representatives shall each~~  
7           ~~appoint one additional member to serve on the commission.~~

8           ~~(4) A vacancy occurring during the term of a member~~  
9           ~~appointed in accordance with this subsection shall be filled~~  
10          ~~in a like manner only for the unexpired appointive term of~~  
11          ~~the member whose office has become vacant.~~

12          ~~(5) Members appointed under the provisions of this~~  
13          ~~subsection shall serve for a term of four years. Upon the~~  
14          ~~expiration of this term, an appointed member may continue to~~  
15          ~~hold office for 90 days or until a successor shall be duly~~  
16          ~~appointed and qualified, whichever period is shorter, but~~  
17          ~~shall not continue to hold office thereafter unless~~  
18          ~~reappointed in accordance with law.~~

19          ~~(6) Vacancies filled under paragraph (1) and subsequent~~  
20          ~~appointments made to the commission shall be without the~~  
21          ~~advice and consent of the Senate.~~

22          ~~(a.1) Advisory committee.—~~

23                 ~~(1) There is hereby established a Pennsylvania Turnpike~~  
24                 ~~Advisory Committee, which shall be composed of the following~~  
25                 ~~members:~~

26                         ~~(i) The Secretary of Community and Economic~~  
27                         ~~Development.~~

28                         ~~(ii) The Secretary of Revenue.~~

29                         ~~(iii) The State Treasurer.~~

30                         ~~(iv) The chairman and minority chairman of the~~

1 ~~Transportation Committee of the Senate.~~

2 ~~(v) The chairman and minority chairman of the~~  
3 ~~Transportation Committee of the House of Representatives.~~

4 ~~(vi) Eight members of the public representing the~~  
5 ~~area of concern specified who shall have extensive~~  
6 ~~experience and knowledge of transportation activities~~  
7 ~~throughout this Commonwealth to be appointed by the~~  
8 ~~Governor as follows:~~

9 ~~(A) Two representatives of the engineering~~  
10 ~~community who are licensed and registered pursuant to~~  
11 ~~the act of May 23, 1945 (P.L.913, No.367), known as~~  
12 ~~the Engineer, Land Surveyor and Geologist~~  
13 ~~Registration Law.~~

14 ~~(B) Two representatives from the highway~~  
15 ~~construction industry who have at least five years of~~  
16 ~~highway construction and planning experience.~~

17 ~~(C) Two representatives from organized labor~~  
18 ~~unions.~~

19 ~~(D) One member who shall be a certified public~~  
20 ~~accountant.~~

21 ~~(E) One member from the general public with at~~  
22 ~~least five years of experience in transportation~~  
23 ~~finance and infrastructure.~~

24 ~~(2) Each of the members of the committee may designate a~~  
25 ~~representative to serve in his stead. A member who designates~~  
26 ~~a representative shall notify the chairman in writing of the~~  
27 ~~designation.~~

28 ~~(3) The term of all members of the committee appointed~~  
29 ~~by the Governor shall be for three years. Any member of the~~  
30 ~~committee may be reappointed for no more than two full~~



1 ~~successive terms. Any person appointed to fill a vacancy~~  
2 ~~occurring prior to the expiration of the term to which his~~  
3 ~~predecessor was appointed shall serve only for the unexpired~~  
4 ~~term. Each member shall serve until the appointment of a~~  
5 ~~successor.~~

6 ~~(4) (i) The committee shall meet at least four times~~  
7 ~~every 12 months, but may hold such additional meetings as~~  
8 ~~are called by the chairman. The chairman shall provide~~  
9 ~~notice at least 14 days in advance for regular meetings~~  
10 ~~and provide a minimum of three days' notice for special~~  
11 ~~meetings. A majority of the appointed members shall~~  
12 ~~constitute a quorum for the conduct of business.~~

13 ~~(ii) Minutes of meetings shall be prepared by the~~  
14 ~~secretary and filed with the committee and distributed to~~  
15 ~~all members. All records shall be a matter of public~~  
16 ~~record.~~

17 ~~(iii) The public members of the committee shall be~~  
18 ~~allowed reasonable per diem expenses as established and~~  
19 ~~paid for by the commission. The commission shall provide~~  
20 ~~appropriate staff support to enable the committee to~~  
21 ~~properly carry out its functions.~~

22 ~~(5) The committee shall have the power and duty to~~  
23 ~~consult and advise the Pennsylvania Turnpike Commission in~~  
24 ~~assisting in developing, operating and financing tolled~~  
25 ~~interstate systems within this Commonwealth in a timely,~~  
26 ~~efficient and cost effective manner. Specifically, the~~  
27 ~~committee shall have the authority to conduct a study on the~~  
28 ~~feasibility of instituting toll collections on major~~  
29 ~~interstates that pass through the State.~~

30 ~~(6) The committee shall submit an annual report of its~~

~~1 deliberations and conclusions to the Governor and members of  
2 the General Assembly by November 30 of each year.~~

~~3 (7) The Governor shall appoint one member of the  
4 committee as chairperson. The members of the committee shall  
5 annually elect a vice chairperson, a secretary and a  
6 treasurer from among the members appointed to the committee.~~

~~7 (b) Secretary of Transportation. The provisions of  
8 subsection (a.1) shall not apply to the appointment of the  
9 secretary who shall continue to be appointed and to serve as a  
10 member of the commission ex officio in accordance with law.~~

~~11 (c) Chairman. A majority of the members of the commission  
12 shall elect a member of the commission to serve as chairman.  
13 Upon the appointment and qualification of any new member to  
14 serve on the commission, the office of chairman, and the  
15 positions of all other officers created by law, shall be deemed  
16 vacant and a new chairman and other officers shall be elected by  
17 a majority of the members of the commission.~~

~~18 (d) Actions by the commission. Notwithstanding any other  
19 law, court decision, precedent or practice to the contrary, any  
20 and all actions by or on behalf of the commission shall be taken  
21 solely upon the approval of a majority of the members to the  
22 commission. A majority of the members of the commission shall  
23 mean five members of the commission. The term "actions by or on  
24 behalf of the commission" means any action whatsoever of the  
25 commission, including, but not limited to, the hiring,  
26 appointment, removal, transfer, promotion or demotion of any  
27 officers and employees; the retention, use or remuneration of  
28 any advisors, counsel, auditors, architects, engineers or  
29 consultants; the initiation of any legal action; the making of  
30 any contracts, leases, agreements, bonds, notes or covenants;~~

~~1 the approval of requisitions, purchase orders, investments and  
2 reinvestments; and the adoption, amendment, revision or  
3 rescission of any rules and regulations, orders or other  
4 directives. The chairman, vice chairman or any other officer or  
5 employee of the commission may take no action by or on behalf of  
6 the commission except as expressly authorized by a majority of  
7 the members of the commission.~~

~~8 (c) Compensation. The annual salary of the Chairman of the  
9 Pennsylvania Turnpike Commission shall be \$28,500, and the  
10 annual salary of the remaining members of the Pennsylvania  
11 Turnpike Commission shall be \$26,000. These salaries shall be  
12 paid in equal installments every other week.~~

~~13 § 8106. Exercise of commission powers.~~

~~14 The exercise by the commission of the powers conferred by  
15 this chapter in the construction, operation and maintenance of  
16 the turnpikes and in effecting toll road conversions shall be  
17 deemed and held to be an essential governmental function of the  
18 Commonwealth.~~

~~19 § 8107. Commission powers and duties.~~

~~20 (a) Powers and duties of commission. The commission may:~~

~~21 (1) Maintain a principal office at a place designated by  
22 the commission.~~

~~23 (2) Contract and be contracted within its own name.~~

~~24 (3) Sue and be sued in its own name, plead and be  
25 impleaded. Any civil action against the commission shall be  
26 brought only in the courts in which actions may be brought  
27 against the Commonwealth.~~

~~28 (4) Have an official seal.~~

~~29 (5) Make necessary rules and regulations for its own  
30 government and in control of traffic.~~

1           ~~(6) Acquire, hold, accept, own, use, hire, lease,~~  
2           ~~exchange, operate and dispose of personal property, real~~  
3           ~~property and interests in real property and make and enter~~  
4           ~~into all contracts and agreements necessary or incidental to~~  
5           ~~the performance of its duties and the execution of its powers~~  
6           ~~under this chapter and employ engineering, traffic,~~  
7           ~~architectural and construction experts and inspectors,~~  
8           ~~attorneys and other employees as may in its judgment be~~  
9           ~~necessary and fix their compensation.~~

10           ~~(7) (i) Provide grade separations at its own expense~~  
11           ~~with respect to all public roads, State highways and~~  
12           ~~interstate highways intersected by the turnpikes and to~~  
13           ~~change and adjust the lines and grades thereof so as to~~  
14           ~~accommodate the same to the design for grade separation.~~

15           ~~(ii) The damages incurred in changing and adjusting~~  
16           ~~the lines and grades of public roads, State highways and~~  
17           ~~interstate highways shall be ascertained and paid by the~~  
18           ~~commission in accordance with 26 Pa.C.S. (relating to~~  
19           ~~eminent domain).~~

20           ~~(iii) If the commission shall find it necessary to~~  
21           ~~provide a grade separation or change the site of any~~  
22           ~~portion of any interstate highway, State highway or~~  
23           ~~public road, or vacate the same, the commission shall~~  
24           ~~cause it to be reconstructed and restored at the~~  
25           ~~commission's expense on the most favorable location and~~  
26           ~~in as satisfactory a manner as the original road or~~  
27           ~~vacate it as the case may be.~~

28           ~~(iv) The method of acquiring the right of way and~~  
29           ~~determining damages incurred in changing the location of~~  
30           ~~or vacating the road, State highway or interstate highway~~

1 ~~shall be ascertained and paid for in accordance with 26~~  
2 ~~Pa.C.S.~~

3 ~~(8) Petition the court of common pleas of the county in~~  
4 ~~which any public road or part thereof is located and affected~~  
5 ~~by the location of the turnpikes, for the vacation,~~  
6 ~~relocation or supply of the same or any part thereof with the~~  
7 ~~same force and effect as is now given by existing laws to the~~  
8 ~~inhabitants of any township or the county, and the~~  
9 ~~proceedings upon petition, whether for the appointment of~~  
10 ~~viewers or otherwise, shall be the same as provided by~~  
11 ~~existing law for similar proceedings upon the petitions.~~

12 ~~(9) Have all of the powers and perform all the duties~~  
13 ~~prescribed by the act of May 21, 1937 (P.L.774, No.211),~~  
14 ~~referred to as the Pennsylvania Turnpike Commission Act.~~

15 ~~(b) Maintenance to be paid out of tolls.~~

16 ~~(1) The turnpike extensions and improvements and the~~  
17 ~~conversion of toll free roads to toll roads when completed~~  
18 ~~and open to traffic shall be maintained and repaired by and~~  
19 ~~under the control of the commission.~~

20 ~~(2) All charges and costs for the maintenance and~~  
21 ~~repairs actually expended by the commission shall be paid out~~  
22 ~~of tolls.~~

23 ~~(3) The turnpike, the turnpike extensions and~~  
24 ~~improvements and the toll free roads converted to toll roads~~  
25 ~~shall also be policed and operated by a force of police, toll~~  
26 ~~takers and other operating employees as the commission may in~~  
27 ~~its discretion employ.~~

28 ~~§ 8108. Expenses and bonding of commission members.~~

29 ~~(a) Payment of expenses. All compensation and salaries and~~  
30 ~~all expenses incurred in carrying out the provisions of this~~

~~chapter shall be paid solely from funds provided under the authority of this chapter, and no liability or obligation shall be incurred under this chapter beyond the extent to which money shall have been provided under the authority of this chapter.~~

~~(b) No additional bond required. The issuance of any turnpike revenue bonds, notes or other obligations under the provisions of this chapter shall not cause any member of the commission to be required to execute a bond that a member of the commission is not otherwise required to execute.~~

~~§ 8109. Acquisition of property rights by commission.~~

~~(a) Condemnation. The commission may condemn, pursuant to 26 Pa.C.S. (relating to eminent domain), any lands, interests in lands, property rights, rights of way, franchises, easements and other property deemed necessary or convenient for the construction and efficient operation of the turnpikes and the toll road conversions or necessary in the restoration or relocation of public or private property damaged or destroyed.~~

~~(b) Purchase.~~

~~(1) The commission may acquire by purchase, whenever it shall deem the purchase expedient, or otherwise accept if dedicated to it, any lands, interests in lands, property rights, rights of way, franchises, easements and other property deemed necessary or convenient for the construction and efficient operation of the turnpikes and toll road conversions or necessary in the restoration of public or private property damaged or destroyed, whether the property has been previously condemned or otherwise, upon terms and at a price as may be considered by the commission to be reasonable and can be agreed upon between the commission and the owner thereof and to take title thereto in the name of~~

1 ~~the commission.~~

2 ~~(2) The net proceeds of the purchase price payable to a~~  
3 ~~municipality or the department for any real property or~~  
4 ~~interest therein obtained by the commission pursuant to this~~  
5 ~~chapter, less the cost of retiring any bonded indebtedness on~~  
6 ~~the property or interest, shall be used exclusively, in the~~  
7 ~~case of a municipality, for road related and bridge related~~  
8 ~~expenses and, in the case of the department, for highway and~~  
9 ~~bridge construction, reconstruction and maintenance in the~~  
10 ~~same engineering and maintenance district in which the~~  
11 ~~property is located.~~

12 ~~§ 8110. Procedural requirements of acquisition.~~

13 ~~(a) Title. Title to any property condemned by the~~  
14 ~~commission shall be taken in the name of the commission.~~

15 ~~(b) Entry.~~

16 ~~(1) In addition to any others powers set forth in this~~  
17 ~~chapter, the commission and its authorized agents and~~  
18 ~~employees may enter upon any lands, waters and premises in~~  
19 ~~this Commonwealth for the purpose of making surveys,~~  
20 ~~soundings, drillings and examinations, as it may deem~~  
21 ~~necessary or convenient for the purpose of this chapter.~~

22 ~~(2) The entry shall not be deemed a trespass, nor shall~~  
23 ~~an entry for the purposes be deemed an entry under any~~  
24 ~~condemnation proceedings which may be then pending.~~

25 ~~(3) The commission shall make reimbursement for any~~  
26 ~~actual damages resulting to the lands, waters and premises as~~  
27 ~~a result of the activities.~~

28 ~~(c) Restoration of property. Any public or private property~~  
29 ~~damaged or destroyed in carrying out the powers granted by this~~  
30 ~~chapter shall be restored or repaired and placed in its original~~

1 ~~condition as nearly as practicable or adequate compensation made~~  
2 ~~for the property out of funds provided under the authority of~~  
3 ~~this chapter.~~

4 ~~(d) Powers of public bodies. Notwithstanding any other~~  
5 ~~provision of law to the contrary, a political subdivision and a~~  
6 ~~public agency and commission of the Commonwealth may lease,~~  
7 ~~lend, dedicate, grant, convey or otherwise transfer to the~~  
8 ~~commission, upon its request, upon terms and conditions as the~~  
9 ~~proper authorities of the political subdivisions or public~~  
10 ~~agencies and commissions of the Commonwealth may deem reasonable~~  
11 ~~and fair and without the necessity for any advertisement, order~~  
12 ~~of court or other action or formality, other than the regular~~  
13 ~~and formal action of the authorities concerned, any real~~  
14 ~~property which may be necessary or convenient to the~~  
15 ~~effectuation of the authorized purposes of the commission,~~  
16 ~~including public roads and other real property already devoted~~  
17 ~~to public use.~~

18 ~~§ 8111. Entry and possession of property condemned.~~

19 ~~Whenever the commission has condemned any lands, rights,~~  
20 ~~rights of way, easements and franchises, or interests therein,~~  
21 ~~as provided in this chapter, the commission may proceed to~~  
22 ~~obtain possession in the manner provided by 26 Pa.C.S. (relating~~  
23 ~~to the eminent domain).~~

24 ~~§ 8112. Issuance of turnpike revenue bonds or other~~  
25 ~~obligations.~~

26 ~~(a) Authorization.—~~

27 ~~(1) A bond must be authorized by resolution of the~~  
28 ~~commission. The resolution may specify all of the following:~~

29 ~~(i) Series.~~

30 ~~(ii) Date of maturity not exceeding 40 years from~~



1 ~~date of issue.~~

2 ~~(iii) Interest.~~

3 ~~(iv) Denomination.~~

4 ~~(v) Form, either coupon or fully registered without~~  
5 ~~coupons.~~

6 ~~(vi) Registration, exchangeability and~~  
7 ~~interchangeability privileges.~~

8 ~~(vii) Medium of payment and place of payment.~~

9 ~~(viii) Terms of redemption not exceeding 105% of the~~  
10 ~~principal amount of the bond.~~

11 ~~(ix) Priorities in the revenues or receipts of the~~  
12 ~~commission.~~

13 ~~(2) A bond must be signed by or shall bear the facsimile~~  
14 ~~signature of such officers as the commission determines.~~

15 ~~Coupon bonds must have attached interest coupons bearing the~~  
16 ~~facsimile signature of the treasurer of the commission as~~  
17 ~~prescribed in the authorizing resolution. A bond may be~~  
18 ~~issued and delivered notwithstanding that one or more of the~~  
19 ~~signing officers or the treasurer has ceased to be an officer~~  
20 ~~when the bond is actually delivered. A bond must be~~  
21 ~~authenticated by an authenticating agent, a fiscal agent or a~~  
22 ~~trustee, if required by the authorizing resolution.~~

23 ~~(3) A bond may be sold at public or private sale for a~~  
24 ~~price determined by the commission.~~

25 ~~(4) Pending the preparation of a definitive bond,~~  
26 ~~interim receipts or temporary bonds with or without coupons~~  
27 ~~may be issued to the purchaser and may contain terms and~~  
28 ~~conditions as the commission determines.~~

29 ~~(b) Provisions. A resolution authorizing a bond may contain~~  
30 ~~provisions which shall be part of the contract with the~~

1 ~~bondholder as to the following:~~

2 ~~(1) Pledging the full faith and credit of the commission~~  
3 ~~but not of the Commonwealth or any political subdivision for~~  
4 ~~the bond or restricting the obligation of the commission to~~  
5 ~~all or any of the revenue of the commission from all or any~~  
6 ~~projects or properties.~~

7 ~~(2) The construction, financing, improvement, operation,~~  
8 ~~extension, enlargement, maintenance and repair for the~~  
9 ~~payment of the costs of the turnpikes and the toll road~~  
10 ~~conversions, including the reconstruction of the converted~~  
11 ~~roads as provided for in this chapter and the repayment to~~  
12 ~~the Federal Treasury of any funds so required to be repaid~~  
13 ~~pursuant to any special legislation passed by the Congress of~~  
14 ~~the United States authorizing the conversion of toll free~~  
15 ~~roads to toll roads, the financing for insurance reserves and~~  
16 ~~the duties of the commission with reference to these matters.~~

17 ~~(3) Terms and provisions of the bond.~~

18 ~~(4) Limitations on the purposes to which the proceeds of~~  
19 ~~the bond or other financing may be applied.~~

20 ~~(5) Rate of tolls and other charges for use of the~~  
21 ~~facilities of or for the services rendered by the commission.~~

22 ~~(6) The setting aside, regulation and disposition of~~  
23 ~~reserves and sinking funds.~~

24 ~~(7) Limitations on the issuance of additional bonds.~~

25 ~~(8) Terms and provisions of any deed of trust or~~  
26 ~~indenture securing the bond or under which any deed of trust~~  
27 ~~or indenture may be issued.~~

28 ~~(9) Other additional agreements with the holder of the~~  
29 ~~bond.~~

30 ~~(c) Deeds of trust. The commission may enter into any deed~~

~~1 of trust, indenture or other agreement with any bank or trust  
2 company or other person in the United States having power to  
3 enter into such an arrangement, including any Federal agency, as  
4 security for a bond and may assign and pledge all or any of the  
5 revenues or receipts of the commission under such deed,  
6 indenture or agreement. The deed of trust, indenture or other  
7 agreement may contain provisions as may be customary in such  
8 instruments or as the commission may authorize, including  
9 provisions as to the following:~~

~~10 (1) Construction, financing, improvement, operation,  
11 maintenance and repair for the payment of the costs of the  
12 turnpikes and the toll road conversions, including the  
13 reconstruction of the converted roads as provided for in this  
14 chapter and the repayment to the Federal Treasury of any  
15 funds so required to be repaid pursuant to any special  
16 legislation passed by the Congress of the United States  
17 authorizing the conversion of toll free roads to toll roads,  
18 financing for insurance reserves and the duties of the  
19 commission with reference to these matters.~~

~~20 (2) Application of funds and the safeguarding of funds  
21 on hand or on deposit.~~

~~22 (3) Rights and remedies of trustees and bondholders,  
23 including restrictions upon the individual right of action of  
24 a bondholder.~~

~~25 (4) Terms and provisions of the bond or the resolution  
26 authorizing the issuance of the bond.~~

~~27 (d) Negotiability. A bond shall have all the qualities of  
28 negotiable instruments under 13 Pa.C.S. Div. 3 (relating to  
29 negotiable instruments).~~

~~30 § 8113. Obligation proceeds restricted and lien created.~~

1 ~~All money received from any bonds, notes or other obligations~~  
2 ~~issued under this chapter shall be applied solely to the payment~~  
3 ~~of the cost of the turnpike, the turnpike extensions and~~  
4 ~~improvements and the toll road conversions, including the~~  
5 ~~reconstruction of the converted roads as provided for in this~~  
6 ~~chapter and the repayment to the Federal Treasury of any funds~~  
7 ~~so required to be repaid pursuant to any special legislation~~  
8 ~~passed by the Congress of the United States authorizing the~~  
9 ~~conversion of toll free roads to toll roads or to the~~  
10 ~~appurtenant fund. There is created and granted a lien upon the~~  
11 ~~money, until so applied, in favor of holders of the bonds, notes~~  
12 ~~or other obligations or the trustee provided for in this chapter~~  
13 ~~in respect of the bonds, notes or other obligations.~~

14 ~~§ 8114. Trust indenture authorized.~~

15 ~~(a) Security for bonds. In the discretion of the~~  
16 ~~commission, the bonds, notes or other obligations may be secured~~  
17 ~~by a trust indenture by and between the commission and a~~  
18 ~~corporate trustee, which may be any trust company or bank having~~  
19 ~~the powers of a trust company, within this Commonwealth. The~~  
20 ~~trust indenture may pledge or assign tolls and revenue to be~~  
21 ~~received but shall not convey or mortgage the Pennsylvania~~  
22 ~~Turnpike System, including the turnpikes and toll road~~  
23 ~~conversions provided for by this chapter.~~

24 ~~(b) Rights of bondholders. Either the resolution providing~~  
25 ~~for the issuance of the bonds, notes or other obligations or the~~  
26 ~~trust indenture may contain provisions for protecting and~~  
27 ~~enforcing the rights and remedies of the bondholders or holders~~  
28 ~~of notes or other obligations as may be reasonable and proper~~  
29 ~~and not in violation of law, including covenants setting forth~~  
30 ~~the duties of the commission in relation to the acquisition of~~

~~1 properties and the construction, maintenance, operation and  
2 repair and insurance of the turnpikes, and the custody,  
3 safeguarding and application of all money. It shall be lawful  
4 for any bank or trust company incorporated under the laws of  
5 this Commonwealth to act as a depository of the proceeds of  
6 bonds, notes or other obligations or revenues and to furnish the  
7 indemnity bonds or to pledge the securities as may be required  
8 by the commission. The trust indenture may set forth the rights  
9 and remedies of the bondholders or holders of notes or other  
10 obligations and of the trustee and may restrict the individual  
11 right of action of bondholders or holders of notes or other  
12 obligations as is customary in trust indentures securing bonds,  
13 debentures of corporations, notes or other obligations. In  
14 addition to the foregoing, the trust indenture may contain other  
15 provisions as the commission may deem reasonable and proper for  
16 the security of bondholders or holders of notes or other  
17 obligations. All expenses incurred in carrying out the trust  
18 indenture may be treated as part of the cost of maintenance,  
19 operation and repair of the turnpikes and toll road conversions  
20 provided for by this chapter.~~

~~21 § 8115. Commission and obligations tax exempt.~~

~~22 The accomplishment by the commission of the authorized  
23 purposes stated in this chapter being for the benefit of the  
24 people of this Commonwealth and for the improvement of their  
25 commerce and prosperity, in which accomplishment the commission  
26 will be performing essential governmental functions, the  
27 commission shall not be required to pay any taxes or assessments  
28 on any property acquired or used by it for the purposes provided  
29 in this chapter, and the bonds, notes or other obligations  
30 issued by the commission, their transfer and the income~~

1 ~~therefrom, including any profits made on the sale thereof, shall~~  
2 ~~at all times be free from taxation within this Commonwealth.~~

3 ~~§ 8116. Collection and disposition of tolls and other revenue.~~

4 ~~(a) Establishment and changes in toll amounts. Subject to~~  
5 ~~the terms of any trust indenture entered into by the commission,~~  
6 ~~any resolution authorizing the issuance of any bonds, notes or~~  
7 ~~other obligations of the commission, the commission is~~  
8 ~~authorized: to fix and to revise tolls for the use of the~~  
9 ~~Pennsylvania Turnpike System and the different parts or sections~~  
10 ~~of the system, including the turnpike, the turnpike extensions~~  
11 ~~and improvements and the toll road conversions authorized by~~  
12 ~~this chapter: to charge and collect the tolls; to contract with~~  
13 ~~any person, partnership, association or corporation desiring the~~  
14 ~~use of any part thereof, including the right of way adjoining~~  
15 ~~the paved portion, for placing thereon telephone, telegraph,~~  
16 ~~electric light or power lines, gas stations, garages, stores,~~  
17 ~~hotels, restaurants and advertising signs, or for any other~~  
18 ~~purpose, except for tracks for railroad or railway use; and to~~  
19 ~~fix the terms, conditions, rents and rates of charges for use.~~  
20 ~~Tolls shall be fixed and adjusted as to provide funds at least~~  
21 ~~sufficient with other revenues of the Pennsylvania Turnpike~~  
22 ~~System, if any, to pay:~~

23 ~~(1) the cost of constructing, maintaining, repairing and~~  
24 ~~operating the Pennsylvania Turnpike System and the different~~  
25 ~~parts and sections of the system; and~~

26 ~~(2) any bonds, notes or other obligations and the~~  
27 ~~interest thereon of the commission, and all sinking fund~~  
28 ~~requirements of the commission, and other requirements~~  
29 ~~provided for by any resolution authorizing the issuance of~~  
30 ~~the bonds, notes or other obligations by the commission, or~~

1 ~~by any trust indenture to which the commission is a party, as~~  
2 ~~the same shall become due.~~

3 ~~(b) Restrictions on toll revenue. Tolls shall not be~~  
4 ~~subject to supervision or regulation by any other State~~  
5 ~~commission, board, bureau or agency. Subject to the terms of any~~  
6 ~~presently existing trust indenture entered into by the~~  
7 ~~commission and any presently existing resolution authorizing the~~  
8 ~~issuance of any bonds, notes or other obligations of the~~  
9 ~~commission, the tolls and all other revenue derived from the~~  
10 ~~Pennsylvania Turnpike System shall be set aside and pledged as~~  
11 ~~may be provided in any resolutions, trust indentures or any~~  
12 ~~other agreements that the commission may hereafter adopt or~~  
13 ~~hereafter enter into with respect to the issuance of bonds,~~  
14 ~~notes or other obligations of the commission.~~

15 ~~§ 8116.1. Electronic toll collection.~~

16 ~~(a) Liability of owner.~~

17 ~~(1) If an operator of a vehicle fails to pay the~~  
18 ~~prescribed toll at any location where tolls are collected by~~  
19 ~~means of electronic toll collection, the owner of the vehicle~~  
20 ~~shall be liable to the commission for failure of the operator~~  
21 ~~of the vehicle to comply with this section if the violation~~  
22 ~~is evidenced by information obtained from a violation~~  
23 ~~enforcement system.~~

24 ~~(2) If a violation of this section is committed, the~~  
25 ~~registration plate number of the vehicle as recorded by a~~  
26 ~~violation enforcement system shall establish an inference~~  
27 ~~that the owner of the vehicle was then operating the vehicle.~~  
28 ~~The inference shall be overcome if the owner does all of the~~  
29 ~~following:~~

30 ~~(i) Testifies that the owner was not operating the~~

1 ~~vehicle at the time of the violation.~~

2 ~~(ii) Submits to an examination as to who at the time~~  
3 ~~was operating the vehicle.~~

4 ~~(iii) Reveals the name and residence address, if~~  
5 ~~known, of the operator of the vehicle.~~

6 ~~(3) If an action or proceeding is commenced in a county~~  
7 ~~other than that of the residence of the owner, a verified~~  
8 ~~written statement setting forth the facts prescribed under~~  
9 ~~paragraph (2)(i), (ii) and (iii) shall suffice to overcome~~  
10 ~~the inference.~~

11 ~~(4) If the inference is overcome, the operator of the~~  
12 ~~vehicle may be held liable under this section for failure to~~  
13 ~~pay the prescribed toll in the same manner as if the operator~~  
14 ~~were the owner of the vehicle.~~

15 ~~(b) Imposition of liability. Liability under this section~~  
16 ~~shall be imposed upon an owner for a violation of this section~~  
17 ~~or the regulations of the commission occurring within the~~  
18 ~~territorial limits of this Commonwealth. If a violation is~~  
19 ~~committed as evidenced by a violation enforcement system, the~~  
20 ~~following shall apply:~~

21 ~~(1) The commission or an authorized agent or employee~~  
22 ~~must prepare and mail a notice of violation as follows:~~

23 ~~(i) The notice of violation must be sent by first~~  
24 ~~class mail to each person alleged to be liable as an~~  
25 ~~owner for a violation of this section.~~

26 ~~(ii) The notice must be mailed at the address shown~~  
27 ~~on the vehicle registration or at the address of the~~  
28 ~~operator, as applicable. Notice must be mailed no later~~  
29 ~~than 60 days after:~~

30 ~~(A) the alleged conduct; or~~



1                   ~~(B) the date the inference is overcome under~~  
2                   ~~subsection (a)(2).~~

3                   ~~(iii) Personal service is not required.~~

4                   ~~(iv) The notice must contain all of the following:~~

5                   ~~(A) Information advising the person charged of~~  
6                   ~~the manner and time in which the liability alleged in~~  
7                   ~~the notice may be contested.~~

8                   ~~(B) A warning advising the person charged that~~  
9                   ~~failure to contest in the manner and time provided~~  
10                  ~~shall be deemed an admission of liability and that a~~  
11                  ~~default judgment may be entered on the notice.~~

12                  ~~(1.1) A manual or automatic record of mailing prepared~~  
13                  ~~in the ordinary course of business shall be prima facie~~  
14                  ~~evidence of the mailing of notice.~~

15                  ~~(2) If an owner of a vehicle or an owner that is a~~  
16                  ~~lessor of a vehicle receives a notice of violation under this~~  
17                  ~~section for any time period during which the vehicle was~~  
18                  ~~reported to a police department as having been stolen, it~~  
19                  ~~shall be a defense to the allegation of liability that the~~  
20                  ~~vehicle had been reported to the police as having been stolen~~  
21                  ~~prior to the time the violation occurred and that the vehicle~~  
22                  ~~had not been recovered by the time of the violation. For~~  
23                  ~~purposes of asserting the defense under this paragraph, it~~  
24                  ~~shall be sufficient that a certified copy of the police~~  
25                  ~~report on the stolen vehicle be sent by first class mail to~~  
26                  ~~the commission within 30 days after receiving the original~~  
27                  ~~notice of violation. Failure to send the information within~~  
28                  ~~the time limit under this paragraph shall render the owner or~~  
29                  ~~lessor liable for the penalty prescribed by this section.~~

30                  ~~(3) An owner that is a lessor of a vehicle as to which a~~

~~notice of violation was issued under paragraph (1) shall not be liable for a violation if the owner sends to the commission a copy of the rental, lease or other contract document covering the vehicle on the date of the violation, with the name and address of the lessee clearly legible to the commission, within 30 days after receiving the original notice of violation. Failure to send the information within the time limit under this paragraph shall render the lessor liable for the penalty prescribed by this section. If the lessor complies with the provisions of this section, the lessee of the vehicle on the date of the violation shall be deemed to be the owner of the vehicle for purposes of this section and shall be subject to liability for the penalty under this section.~~

~~(4) A certified report or a facsimile report of an authorized agent or employee of the commission reporting a violation of this section or regulations of the commission based upon the recorded information obtained from a violation enforcement system shall be prima facie evidence of the facts contained in the report and shall be admissible as an official record kept in the ordinary course of business in any proceeding charging a violation of this section or the toll collection regulations of the commission.~~

~~(5) Notwithstanding any other provision of law, videotapes, photographs, microphotographs, other recorded images, written records, reports or facsimiles prepared pursuant to this section shall be for the exclusive use of the commission, its authorized agents, its employees and law enforcement officials for the purpose of discharging duties under this section and the regulations of the commission. The~~

~~information shall not be deemed a public record under the act of June 21, 1957 (P.L.390, No.212), referred to as the Right to Know Law. The information shall not be discoverable by court order or otherwise; nor shall it be offered in evidence in any action or proceeding which is not directly related to a violation of this section, the regulations of the commission or indemnification for liability imposed pursuant to this section. The restrictions set forth in this paragraph:~~

~~(i) shall not be deemed to preclude a court of competent jurisdiction from issuing an order directing that the information be provided to law enforcement officials if the information is reasonably described and is requested solely in connection with a criminal law enforcement action;~~

~~(ii) shall not be deemed to preclude the exchange of the information between any entities with jurisdiction over or which operate an electronic toll collection system in this Commonwealth or any other jurisdiction; and~~

~~(iii) shall not be deemed to prohibit the use of information exclusively for the purpose of billing electronic toll collection account holders, deducting toll charges from the account of an account holder, enforcing toll collection laws and related regulations or enforcing the provisions of an account holder agreement.~~

~~(6) An imposition of liability under this section must be based upon a preponderance of evidence.~~

~~(7) An imposition of liability pursuant to this section shall not be deemed a conviction of an owner and shall not be~~

~~made part of the motor vehicle operating record of the person upon whom the liability is imposed, nor shall it be considered in the provision of motor vehicle insurance coverage.~~

~~(8) An owner that admits, is found liable or fails to respond to the notice of violation for a violation of this section shall be civilly liable to the commission for all of the following:~~

~~(i) Either:~~

~~(A) the amount of the toll evaded or attempted to be evaded if the amount can be determined; or~~

~~(B) the maximum toll from the farthest point of entry on the Pennsylvania Turnpike to the actual point of exit if the amount of the toll evaded or attempted to be evaded cannot be determined.~~

~~(ii) A reasonable administrative fee not to exceed \$35 per notification.~~

~~(9) Nothing in this section shall be construed to limit the liability of the operator of a vehicle for a violation of this section or of the regulations of the commission.~~

~~(c) Placement of electronic toll collection device. An electronic toll collection device which is affixed to the front windshield of a vehicle in accordance with the regulations of the commission shall not be deemed to constitute a violation of 75 Pa.C.S. § 4524 (relating to windshield obstructions and wipers).~~

~~(d) Privacy of electronic toll collection account holder information.~~

~~(1) Except as set forth paragraph (2), notwithstanding any other provision of law, all of the following apply to~~

~~information kept by the commission, its authorized agents or its employees which is related to the account of an electronic toll collection system account holder:~~

~~(i) The information shall be for the exclusive use of the commission, its authorized agents, its employees and law enforcement officials for the purpose of discharging their duties pursuant to this section and the regulations of the commission. This subparagraph includes names, addresses, account numbers, account balances, personal financial information, vehicle movement records and other information compiled from transactions with the account holders.~~

~~(ii) The information shall not be deemed a public record under the Right to Know Law, nor shall it be discoverable by court order or otherwise or be offered in evidence in any action or proceeding which is not directly related to the discharge of duties under this section, the regulations of the commission or a violation of an account holder agreement.~~

~~(2) Paragraph (1) shall not be deemed to do any of the following:~~

~~(i) Preclude a court of competent jurisdiction from issuing an order directing that the information be provided to law enforcement officials if the information is reasonably described and is requested solely in connection with a criminal law enforcement action.~~

~~(ii) Preclude the exchange of the information between any entities with jurisdiction over or which operate an electronic toll collection system in this Commonwealth or any other jurisdiction.~~

~~(iii) Prohibit the use of the information exclusively for the purpose of billing electronic toll collection account holders, deducting toll charges from the account of an account holder, enforcing toll collection laws and related regulations or enforcing the provisions of an account holder agreement.~~

~~(c) Definition. As used in this section, the term "owner" means any person, corporation, firm, partnership, agency, association, organization or lessor that, at the time a vehicle is operated in violation of this section or regulations of the commission:~~

~~(1) is the beneficial or equitable owner of the vehicle;~~

~~(2) has title to the vehicle; or~~

~~(3) is the registrant or coregistrant of the vehicle registered with the department or a comparable agency of another jurisdiction or uses the vehicle in its vehicle renting or leasing business. The term includes a person entitled to the use and possession of a vehicle subject to a security interest in another person.~~

~~§ 8117. Refunding bonds.~~

~~The commission is authorized to provide, by resolution, for the issuance of turnpike revenue refunding bonds for the purpose of refunding issued and outstanding turnpike revenue bonds, notes or other obligations. Applicable provisions of this chapter govern all of the following:~~

~~(1) Issuance of the turnpike revenue refunding bonds.~~

~~(2) Maturities and other details of the refunding bonds.~~

~~(3) Rights of the holders of the bonds.~~

~~(4) Duties of the Commonwealth and of the commission in respect to the bonds.~~

1 ~~§ 8118. Rights of obligation holders and trustees.~~

2 ~~(a) Scope. This section applies to all of the following:~~

3 ~~(1) A holder of:~~

4 ~~(i) a bond, note or other obligation issued under~~  
5 ~~this chapter; or~~

6 ~~(ii) a coupon attached to the bond, note or other~~  
7 ~~obligation.~~

8 ~~(2) The trustee under an applicable trust indenture.~~

9 ~~(b) Enforcement. Subject to subsection (c), a person~~  
10 ~~referred to in subsection (a) may, by an action at law or in~~  
11 ~~equity, do all of the following:~~

12 ~~(1) Protect and enforce rights granted under this~~  
13 ~~chapter or under the resolution or trust indenture.~~

14 ~~(2) Enforce and compel performance of all duties~~  
15 ~~required by this chapter or by the resolution or trust~~  
16 ~~indenture to be performed by the commission or an officer of~~  
17 ~~the commission. This paragraph includes fixing, charging and~~  
18 ~~collecting of tolls for the use of the turnpikes.~~

19 ~~(c) Restriction. Rights under this chapter may be~~  
20 ~~restricted by resolution passed before the issuance of the bond,~~  
21 ~~note or other obligation or by the trust indenture.~~

22 ~~§ 8119. Authority granted to secretary.~~

23 ~~(a) Agreement with Federal Government.—~~

24 ~~(1) The secretary is authorized to enter into an~~  
25 ~~agreement with the United States Department of~~  
26 ~~Transportation, the Federal Highway Administration and any~~  
27 ~~other Federal agency to obtain Federal funds for projects for~~  
28 ~~resurfacing, restoring and rehabilitating toll roads in this~~  
29 ~~Commonwealth. The commission is authorized to use Federal~~  
30 ~~funds which may be available for toll roads only upon~~

~~approval of the secretary and only under the authority granted under this section.~~

~~(2) (Reserved).~~

~~(b) Approval by department. Contracts and agreements relating to the construction of the turnpikes and connecting tunnels and bridges must be approved by the department.~~

~~§ 8120. Construction of chapter.~~

~~This chapter shall be regarded as supplemental and additional to powers conferred by other statutes and shall not be regarded as in derogation of any powers now existing and shall be liberally construed to effect its purposes.~~

~~Section 2.3. Section 8901 of Title 75 is amended to read:~~

~~§ 8901. Definitions.~~

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

~~"Annual additional rent." That portion of the rent payable to the Department of Transportation under section 8915.3(5) (relating to lease of Interstate 80).~~

~~"Annual base rent." That portion of the rent payable to the Department of Transportation under section 8915.3(4) (relating to lease of Interstate 80).~~

~~"Annual surplus rent." That portion of the rent payable to the Department of Transportation under section 8915.3(6) (relating to lease of Interstate 80).~~

~~"Auditor General's certificate." The certificate issued by the Auditor General within 180 days after the end of each fiscal year of the Pennsylvania Turnpike Commission certifying all of the following:~~

~~(1) The amount of the general reserve fund surplus for~~



1 ~~the fiscal year.~~

2 ~~(2) Interstate 80 savings for the fiscal year.~~

3 ~~(3) After review of the commission's current ten year~~  
4 ~~capital plan, that the transfer of the general reserve fund~~  
5 ~~surplus under section 8915.3 (relating to lease of Interstate~~  
6 ~~80) shall not impair the ability of the commission to meet~~  
7 ~~its obligations under the lease agreement or the commission's~~  
8 ~~ten year capital plan.~~

9 ~~"Commission." The Pennsylvania Turnpike Commission.~~

10 ~~"Conversion date." The date the Pennsylvania Turnpike~~  
11 ~~Commission intends to assume control over Interstate 80 as set~~  
12 ~~forth in the conversion notice.~~

13 ~~"Conversion notice." Written notice to the Secretary of~~  
14 ~~Transportation from the Pennsylvania Turnpike Commission~~  
15 ~~providing notice of its intent to assume control over Interstate~~  
16 ~~80 under section 8915.3(3) (relating to lease of Interstate 80).~~

17 ~~"Conversion period." A period of three years:~~

18 ~~(1) which begins on the date of execution of the lease~~  
19 ~~agreement; and~~

20 ~~(2) during which the Pennsylvania Turnpike Commission~~  
21 ~~may give the Department of Transportation conversion notice~~  
22 ~~or notice that the commission has exercised its option to~~  
23 ~~extend the conversion period pursuant to section 8915.3(2)~~  
24 ~~(relating to lease of Interstate 80).~~

25 ~~"Fiscal year." The fiscal year of the Pennsylvania Turnpike~~  
26 ~~Commission.~~

27 ~~"General reserve fund surplus." The amount which:~~

28 ~~(1) is certified by the Auditor General in the Auditor~~  
29 ~~General's certificate as existing in the Pennsylvania~~  
30 ~~Turnpike Commission's general reserve fund on the last day of~~

1 ~~the fiscal year; and~~

2 ~~(2) is not required to be retained in the general~~  
3 ~~reserve fund pursuant to any financial documents, financial~~  
4 ~~covenants, insurance policies, liquidity policies or~~  
5 ~~agreements, swap agreements or rating agency requirements in~~  
6 ~~effect at the commission.~~

7 ~~"Interstate 80 savings." An amount equal to the following:~~

8 ~~(1) Prior to the conversion date, the amount shall be~~  
9 ~~zero.~~

10 ~~(2) After the conversion date, the amount certified in~~  
11 ~~the Auditor General's certificate equal to \$100,000,000,~~  
12 ~~increased by 4% for each year after the year of execution of~~  
13 ~~the lease agreement.~~

14 ~~"Lease agreement." A lease agreement between the Department~~  
15 ~~of Transportation and the Pennsylvania Turnpike Commission which~~  
16 ~~shall include provisions setting forth the terms of the~~  
17 ~~conversion of Interstate 80 to a toll road.~~

18 ~~"Scheduled annual commission contribution." The following~~  
19 ~~amounts:~~

20 ~~(1) \$700,000,000 in fiscal year 2007-2008.~~

21 ~~(2) \$750,000,000 in fiscal year 2008-2009.~~

22 ~~(3) \$800,000,000 in fiscal year 2009-2010.~~

23 ~~(4) \$800,000,000 increased by 2.5% for each fiscal year~~  
24 ~~after fiscal year 2009-2010.~~

25 Section 2.4. ~~Section 8911 introductory paragraph of Title 75~~  
26 ~~is amended and the section is amended by adding a paragraph to~~  
27 ~~read:~~

28 ~~§ 8911. Improvement and extension authorizations.~~

29 ~~In order to facilitate vehicular traffic within and across~~  
30 ~~this Commonwealth, the commission is hereby authorized and~~

1 ~~empowered to construct, reconstruct, widen, expand, extend,~~  
2 ~~operate and maintain turnpike extensions and turnpike~~  
3 ~~improvements at such specific locations and according to such~~  
4 ~~schedule as shall be deemed feasible and approved by the~~  
5 ~~commission, together with connecting roads, storm water~~  
6 ~~management systems, interchanges, slip ramps, tunnels and~~  
7 ~~bridges, subject to the waiver of the Federal toll prohibition~~  
8 ~~provisions where applicable, as follows:~~

9 \* \* \*

10 ~~(10) Other slip ramps and interchanges as the commission~~  
11 ~~may determine.~~

12 Section 2.5. Sections 8912 introductory paragraph, 8913,  
13 8914 introductory paragraph and 8915 introductory paragraph of  
14 Title 75 are amended to read:

15 § 8912. Subsequent extension authorizations.

16 The commission is also hereby authorized and empowered to  
17 ~~construct, reconstruct, widen, expand, extend, operate and~~  
18 ~~maintain further extensions and improvements of the turnpike at~~  
19 ~~such specific locations and according to such schedules as shall~~  
20 ~~be deemed feasible and which shall be approved by the~~  
21 ~~commission, subject to the waiver of the Federal toll~~  
22 ~~prohibition provisions where applicable, as follows:~~

23 \* \* \*

24 § 8913. Additional subsequent extension authorizations.

25 Upon substantial completion of the turnpike extensions and  
26 improvements set forth in sections 8911 (relating to improvement  
27 and extension authorizations) and 8912 (relating to subsequent  
28 extension authorizations), the commission is hereby authorized  
29 and empowered to construct, reconstruct, widen, expand, extend,  
30 operate and maintain further extensions and improvements of the

1 ~~turnpike at such specific locations and according to such~~  
2 ~~schedules as shall be deemed feasible and which shall be~~  
3 ~~approved by the commission, subject to the waiver of the Federal~~  
4 ~~toll prohibition provisions where applicable, as follows:~~  
5 ~~construct from a point at or near Interstate Route 80~~  
6 ~~Interchange 23 at Milesburg southwesterly generally along U.S.~~  
7 ~~Route 220 to a connection with the existing U.S. Route 220~~  
8 ~~Expressway south of Bald Eagle.~~

9 ~~§ 8914. Further subsequent authorizations.~~

10 ~~Upon completion of the turnpike extensions and improvements~~  
11 ~~set forth in sections 8911 (relating to improvement and~~  
12 ~~extension authorizations), 8912 (relating to subsequent~~  
13 ~~extension authorizations) and 8913 (relating to additional~~  
14 ~~subsequent extension authorizations), the commission is hereby~~  
15 ~~authorized and empowered to construct, reconstruct, widen,~~  
16 ~~expand, extend, operate and maintain further extensions and~~  
17 ~~improvements of the turnpike at such specific locations and~~  
18 ~~according to such schedules as shall be deemed feasible and~~  
19 ~~which shall be approved by the commission, subject to the waiver~~  
20 ~~of the Federal toll prohibition provisions where applicable, as~~  
21 ~~follows:~~

22 ~~\* \* \*~~

23 ~~§ 8915. Conversion to toll roads.~~

24 ~~In order to facilitate vehicular traffic within and across~~  
25 ~~this Commonwealth, and [after] to facilitate the completion of~~  
26 ~~the turnpike extensions and improvements authorized in section~~  
27 ~~8911 (relating to improvement and extension authorizations), and~~  
28 ~~subject to prior legislative approval by the General Assembly~~  
29 ~~and the United States Congress, the commission is hereby~~  
30 ~~authorized and empowered to convert to toll roads such portions~~

1 ~~of Pennsylvania's interstate highway system as may [be required~~  
2 ~~in order to] facilitate the completion of the turnpike~~  
3 ~~extensions and improvements authorized in sections 8912~~  
4 ~~(relating to subsequent extension authorizations), 8913~~  
5 ~~(relating to additional subsequent extension authorizations) and~~  
6 ~~8914 (relating to further subsequent authorizations) and to~~  
7 ~~operate and maintain such converted interstates as toll roads~~  
8 ~~upon the approval by the Congress of the United States of~~  
9 ~~America and the General Assembly of this Commonwealth of~~  
10 ~~legislation expressly permitting the conversion of such~~  
11 ~~interstates to toll roads. Such conversions shall take place at~~  
12 ~~a time and manner set forth in the plan for the conversion~~  
13 ~~prepared by the commission with the cooperation of the~~  
14 ~~department. The provisions authorizing the commission to~~  
15 ~~construct, operate and maintain the turnpike routes in sections~~  
16 ~~8911, 8912 and 8913 shall be subject to:~~

17           \* \* \*

18           Section 2.6. ~~Title 75 is amended by adding sections to read:~~  
19 ~~§ 8915.1. Conversion of Interstate 80.~~

20           ~~In order to facilitate vehicular traffic across this~~  
21 ~~Commonwealth, the commission is authorized and empowered to do~~  
22 ~~all of the following:~~

23           ~~(1) Construct, reconstruct, widen, expand, extend,~~  
24 ~~operate, maintain and maintain and operate Interstate 80 from~~  
25 ~~a point at or near the Ohio border to a point at or near the~~  
26 ~~New Jersey border, together with connecting roads,~~  
27 ~~interchanges, slip ramps, tunnels and bridges.~~

28           ~~(2) Issue turnpike revenue bonds, notes or other~~  
29 ~~obligations, payable solely from revenues of the commission,~~  
30 ~~including tolls, or from funds as may be available to the~~

~~commission for that purpose, to pay the cost of construction, reconstructing, widening, expanding or extending or any other costs of the Pennsylvania Turnpike.~~

~~(3) Convert to a toll road Interstate 80 and to operate and maintain the converted interstate as a toll road.~~

~~§ 8915.2. Application to United States Department of Transportation.~~

~~(a) Application. The commission, in consultation with the department and at its own expense, is authorized to prepare and submit an application to the United States Department of Transportation in accordance with 23 U.S.C. § 129 (relating to toll roads, bridges, tunnels, and ferries) for the conversion of Interstate 80 to a toll road under the Interstate Reconstruction and Rehabilitation Pilot Program or in accordance with any other applicable Federal program or provision of law. The secretary shall ensure that all information required for the application is made available to the commission as soon as practicable after the effective date of this section. If the application is submitted pursuant to the Interstate Reconstruction and Rehabilitation Pilot Program, it shall contain all of the following:~~

~~(1) A consulting civil engineer's report assessing the current physical conditions of the roadbed, pavement, bridges and interchanges and projecting the costs to upgrade Interstate 80, the costs for additional improvements and implementation of the tolling facilities and existing funds available for Interstate 80, absent tolling and concluding that the facility would not be maintained or improved to meet current or future needs from the Commonwealth's apportionments and allocations and from revenues for highways~~

1 ~~from any other source without toll revenues.~~

2 ~~(2) A traffic and revenue report completed by a third-~~  
3 ~~party consultant forecasting future traffic and revenue over~~  
4 ~~a minimum of 20 years.~~

5 ~~(3) An environmental scoping analysis assessing the~~  
6 ~~fiscal impact, any air and water quality issues and the~~  
7 ~~involvement of local metropolitan planning organizations.~~

8 ~~(4) A construction and operational plan for the~~  
9 ~~implementation of the Toll Pilot Program for Interstate 80~~  
10 ~~which:~~

11 ~~(i) assumes completion no later than five years~~  
12 ~~after financing;~~

13 ~~(ii) includes a plan for implementing the imposition~~  
14 ~~of tolls on use of Interstate 80, a schedule and finance~~  
15 ~~plan for the reconstruction and rehabilitation of~~  
16 ~~Interstate 80 using toll revenues and a description of~~  
17 ~~the public transportation agency that will be responsible~~  
18 ~~for implementation and administration of the toll pilot~~  
19 ~~program.~~

20 ~~(5) A financial analysis demonstrating that tolling~~  
21 ~~Interstate 80 will produce sufficient revenue to pay debt~~  
22 ~~service on any bonds and loans incurred with respect to the~~  
23 ~~Toll Pilot Program.~~

24 ~~(b) Open system. A toll system shall consist of what is~~  
25 ~~commonly referred to as an open system.~~

26 ~~§ 8915.3. Lease of Interstate 80.~~

27 ~~The department and the commission shall enter into a lease~~  
28 ~~agreement relating to Interstate 80. The lease agreement shall~~  
29 ~~include provisions setting forth the terms and conditions of the~~  
30 ~~conversion of Interstate 80 to a toll road. The lease agreement,~~

1 ~~at a minimum, shall include the following:~~

2 ~~(1) A provision that the term of the lease agreement~~  
3 ~~shall be 50 years, unless extended upon mutual agreement of~~  
4 ~~the parties to the lease agreement.~~

5 ~~(2) A provision establishing a conversion period and~~  
6 ~~authorizing extension of the conversion period at the sole~~  
7 ~~option of the commission for three one year extension periods~~  
8 ~~after consultation with the secretary. The commission shall~~  
9 ~~notify the secretary of its intent to extend the conversion~~  
10 ~~period not less than 90 days before the scheduled expiration~~  
11 ~~of the conversion period. During the conversion period, all~~  
12 ~~legal, financial and operational responsibility for~~  
13 ~~Interstate 80 shall remain with the department. All~~  
14 ~~operations and programmed rehabilitation shall be maintained~~  
15 ~~at levels no less favorable than those set forth in the~~  
16 ~~department's 12 year plan at the time of the execution of the~~  
17 ~~lease, with modifications as are approved in writing by the~~  
18 ~~chairman of the commission.~~

19 ~~(3) A provision permitting the commission to exercise~~  
20 ~~its option to convert Interstate 80 to a toll road prior to~~  
21 ~~the expiration of the conversion period by providing the~~  
22 ~~conversion notice to the secretary. Beginning on the~~  
23 ~~conversion date, all legal, financial and operational~~  
24 ~~responsibility for Interstate 80, as well as all toll~~  
25 ~~revenues collected with respect to its use, shall be~~  
26 ~~transferred from the department to the commission. The~~  
27 ~~commission shall contract with the department for any portion~~  
28 ~~of the maintenance of Interstate 80 at cost levels no less~~  
29 ~~favorable than those of the department on the conversion~~  
30 ~~date.~~



1           ~~(4) A provision requiring the commission to pay annual~~  
2 ~~base rent to the department during the term of the lease~~  
3 ~~agreement in the following manner and equal to the following~~  
4 ~~amounts:~~

5           ~~(i) Annual debt service on outstanding bonds issued~~  
6 ~~under section 9511.2 (relating to special revenue bonds~~  
7 ~~payable solely from pledged revenues of Motor License~~  
8 ~~Fund) payable as required pursuant to bonds.~~

9           ~~(ii) \$200,000,000 payable annually in four equal~~  
10 ~~installments each due the first business day of each~~  
11 ~~July, October, January and April.~~

12           ~~(5) A provision requiring the commission to pay annual~~  
13 ~~additional rent to the department as follows:~~

14           ~~(i) During the conversion period and after the~~  
15 ~~conversion of Interstate 80 to a toll road, the annual~~  
16 ~~additional rent shall be equal to the scheduled annual~~  
17 ~~commission contribution, minus any amounts paid under~~  
18 ~~paragraph (4) less the proceeds of bonds allocable to the~~  
19 ~~fiscal year in question issued under section 9511.2 and~~  
20 ~~any Interstate 80 savings for that fiscal year as set~~  
21 ~~forth in the Auditor General's certificate.~~

22           ~~(ii) If conversion notice is not received by the~~  
23 ~~secretary prior to the expiration of the conversion~~  
24 ~~period, the annual additional rent shall be equal to~~  
25 ~~\$250,000,000.~~

26 ~~The annual additional rent provided under this paragraph is~~  
27 ~~deemed to be equal to the fair market value of Interstate 80~~  
28 ~~and shall be payable in four equal installments due the first~~  
29 ~~business day of each July, October, January and April of each~~  
30 ~~year during the term of the lease agreement.~~

1           ~~(6) A provision requiring the commission to pay,~~  
2           ~~commencing on the conversion date, annual surplus rent to the~~  
3           ~~department equal to the general reserve fund surplus payable~~  
4           ~~for each fiscal year from the conversion date until the end~~  
5           ~~of the term of the lease agreement. The surplus rent shall be~~  
6           ~~payable by the commission within 30 days of receipt by the~~  
7           ~~commission of the Auditor General's certificate. If the~~  
8           ~~conversion period expires before the conversion date, no~~  
9           ~~annual surplus rent shall be payable.~~

10           ~~(7) A provision stating that the obligation of the~~  
11           ~~commission to pay the annual base rent, the annual additional~~  
12           ~~rent and annual surplus rent shall be a subordinate~~  
13           ~~obligation of the commission payable from amounts in the~~  
14           ~~general reserve fund of the commission only as permitted by~~  
15           ~~any financing documents, financial covenants, liquidity~~  
16           ~~policies or agreements, swap agreements or rating agency~~  
17           ~~requirements in effect at the commission.~~

18           ~~(8) A provision authorizing the department to receive~~  
19           ~~the annual base rent, annual additional rent and annual~~  
20           ~~surplus rent, and to deposit amounts so received as follows,~~  
21           ~~to the degree permitted by applicable Federal laws and~~  
22           ~~regulations:~~

23           ~~(i) proceeds of bonds issued under section 9511.2~~  
24           ~~shall be spent consistent with sections 9511.4(h)~~  
25           ~~(relating to special revenue bonds and preliminary or~~  
26           ~~interim financing) and 9511.5 (relating to application of~~  
27           ~~proceeds of obligations, lien of holders of obligations,~~  
28           ~~design build requirement and projects approved by the~~  
29           ~~General Assembly);~~

30           ~~(ii) be deposited in the Public Transportation Trust~~

1 ~~Fund as follows:~~

2 ~~(A) \$250,000,000 for fiscal year 2007-2008;~~

3 ~~(B) \$300,000,000 for fiscal year 2008-2009;~~

4 ~~(C) \$350,000,000 for fiscal year 2009-2010; and~~

5 ~~(D) \$400,000,000 for fiscal year 2010-2011 and~~

6 ~~increased by 2.5% for each fiscal year thereafter;~~

7 ~~and~~

8 ~~(iii) any balance received from the department shall~~

9 ~~be deposited in the Motor License Fund. For any year in~~

10 ~~which there are no bond proceeds under this paragraph,~~

11 ~~\$5,000,000 of the money deposited shall be for county~~

12 ~~roads and bridges and \$30,000,000 of the money deposited~~

13 ~~shall be for municipal roads and bridges to be allocated~~

14 ~~under the act of June 1, 1956 (1955 P.L.1944, No.655),~~

15 ~~referred to the Liquid Fuels Tax Municipal Allocation~~

16 ~~Law.~~

17 ~~§ 8915.4. Other interstate highways.~~

18 ~~In order to facilitate vehicular traffic across this~~

19 ~~Commonwealth and pursuant to the authority granted under this~~

20 ~~chapter, the commission is hereby authorized and empowered to:~~

21 ~~(1) at its own expense and in consultation with the~~

22 ~~department, prepare a consulting civil engineer report and~~

23 ~~financial analysis with respect to the feasibility of~~

24 ~~converting Interstate 95 to a toll road and operating and~~

25 ~~maintaining the converted interstate as a toll road, upon~~

26 ~~approval of the General Assembly and the United States~~

27 ~~Department of Transportation; and~~

28 ~~(2) at its own expense, and in consultation with the~~

29 ~~department, prepare and submit an application to the United~~

30 ~~States Department of Transportation for the conversion of~~

1 ~~Interstate 95 to a toll road pursuant to any Federal program~~  
2 ~~for which it may be eligible.~~

3 ~~Section 3. Section 8916 of Title 75 is amended to read:~~

4 ~~§ 8916. Turnpike system.~~

5 ~~The turnpikes and the future toll road conversions authorized~~  
6 ~~by this chapter are hereby or shall be made part of the~~  
7 ~~Pennsylvania Turnpike System, as provided in the act of August~~  
8 ~~14, 1951 (P.L.1232, No.282), referred to as the Pennsylvania~~  
9 ~~Turnpike System Financing Act. A Public Public Partnership of~~  
10 ~~the Pennsylvania Turnpike System is integral to solving~~  
11 ~~transportation problems referred to in 74 Pa.C.S. § 13A01~~  
12 ~~(relating to declaration of policy).~~

13 ~~Section 4. Title 75 is amended by adding a section to read:~~

14 ~~§ 9501. Definitions.~~

15 ~~The following words and terms when used in this chapter shall~~  
16 ~~have the meanings given to them in this section, unless the~~  
17 ~~context clearly indicates otherwise:~~

18 ~~"Bond related expenses." The term shall include all of the~~  
19 ~~following:~~

20 ~~(1) Printing, publication or advertising expenses with~~  
21 ~~respect to the sale and issuance of bonds.~~

22 ~~(2) Fees, expenses and costs of registrars.~~

23 ~~(3) Fees, expenses and costs of attorneys, accountants,~~  
24 ~~feasibility consultants, computer programmers or other~~  
25 ~~experts employed to aid in the sale and issuance of the~~  
26 ~~bonds.~~

27 ~~(4) Other costs, fees and expenses incurred or~~  
28 ~~reasonably related to the issuance and sale of the bonds.~~

29 ~~"Bond related obligation." An agreement or contractual~~  
30 ~~relationship between the Pennsylvania Turnpike Commission and a~~

1 ~~bank, trust company, insurance company, swap counterparty,~~  
2 ~~surety bonding company, pension fund or other financial~~  
3 ~~institution providing increased credit on or security for the~~  
4 ~~bonds or liquidity for secondary market transactions.~~

5 ~~"Commission."—The Pennsylvania Turnpike Commission or any~~  
6 ~~successor organization.~~

7 ~~"Cost of the department."~~

8 ~~(1) Any of the following, which shall be reimbursed or~~  
9 ~~paid out of the proceeds of the special revenue bonds, notes~~  
10 ~~or other obligations authorized under this chapter:~~

11 ~~(i) The cost of constructing, reconstructing,~~  
12 ~~widening, expanding or extending the State highway and~~  
13 ~~rural State highway system and all connecting roads,~~  
14 ~~tunnels and bridges.~~

15 ~~(ii) The cost of all lands, property rights, rights~~  
16 ~~of way, easements and franchises acquired, which are~~  
17 ~~deemed necessary or convenient for the construction,~~  
18 ~~reconstruction, widening, expanding or extending under~~  
19 ~~subparagraph (i).~~

20 ~~(iii) The cost of all machinery and equipment,~~  
21 ~~financing charges, interest prior to and during~~  
22 ~~construction and for one year after completion of~~  
23 ~~construction.~~

24 ~~(iv) The cost of traffic estimates and of~~  
25 ~~engineering and legal expenses, plans, specifications,~~  
26 ~~surveys, estimates of cost and of revenues, other~~  
27 ~~expenses necessary or incident to determining the~~  
28 ~~feasibility or practicability of the enterprise,~~  
29 ~~administrative and legal expenses and other expenses as~~  
30 ~~may be necessary or incident to the financing authorized~~

1 ~~under this chapter, the construction, reconstruction,~~  
2 ~~widening, expanding or extending of the State highway and~~  
3 ~~the rural State highway system and connecting roads,~~  
4 ~~tunnels and bridges, the placing of the same in operation~~  
5 ~~and the condemnation of property necessary for~~  
6 ~~construction and operation.~~

7 ~~(v) Any obligation or expense contracted for by the~~  
8 ~~Department of Transportation or with the United States or~~  
9 ~~any agency of the United States, for traffic surveys,~~  
10 ~~preparation of plans and specifications, supervision of~~  
11 ~~construction, and other engineering, administrative and~~  
12 ~~legal services and expenses in connection with the~~  
13 ~~construction, reconstruction, widening, expanding or~~  
14 ~~extending of the State highway and the rural State~~  
15 ~~highway system or any of the connecting roads, tunnels~~  
16 ~~and bridges.~~

17 ~~(2) Payment of any notes or other obligations if the~~  
18 ~~notes or other obligations were issued for the payment of a~~  
19 ~~cost.~~

20 ~~"Design build arrangement." A procurement or project~~  
21 ~~delivery arrangement whereby a single entity, which may be a~~  
22 ~~single contractor or a consortium comprised of multiple~~  
23 ~~contractors, engineers and other subconsultants, is responsible~~  
24 ~~for both the design and construction of a transportation project~~  
25 ~~with a guaranteed completion date and guaranteed maximum price.~~

26 ~~"Owner." The term shall include all individuals,~~  
27 ~~copartnerships, associations or corporations having any title or~~  
28 ~~interest in any property rights, easements or franchises~~  
29 ~~authorized to be acquired by this chapter.~~

30 ~~"Pledged revenues." Revenues of the Motor License Fund~~

1 ~~pledged to the Pennsylvania Turnpike Commission under sections~~  
2 ~~9010 (relating to disposition and use of tax), 9511(i) (relating~~  
3 ~~to allocation of proceeds) and 9511.11 (relating to Motor~~  
4 ~~License Fund proceeds) and amounts payable by the commission~~  
5 ~~under section 8915.3(4)(i) (relating to lease of Interstate 80).~~

6 ~~"Rural State Highway System." All roads and highways taken~~  
7 ~~over by the Commonwealth as State highways under the provisions~~  
8 ~~of the act of June 22, 1931 (P.L.594, No.203), referred to as~~  
9 ~~the Township State Highway Law and all other roads and highways~~  
10 ~~specifically designated by the Secretary of Transportation as~~  
11 ~~Rural State Highways.~~

12 ~~"State highway." All roads and highways taken over by the~~  
13 ~~Commonwealth as State highways under the provisions of any~~  
14 ~~statute. Unless clearly intended, the term shall not include any~~  
15 ~~street in any city, borough or incorporated town, even though~~  
16 ~~the same may have been taken over as a State highway.~~

17 ~~Section 5. Title 75 is amended by adding sections to read:~~  
18 ~~§ 9511.2. Special revenue bonds payable solely from pledged~~  
19 ~~revenues of Motor License Fund.~~

20 ~~(a) Payment source. A special revenue bond, note or other~~  
21 ~~obligation issued under this chapter:~~

22 ~~(1) shall not be deemed to be a debt or liability of the~~  
23 ~~Commonwealth;~~

24 ~~(2) shall not create or constitute any indebtedness,~~  
25 ~~liability or obligation of the Commonwealth; and~~

26 ~~(3) shall be payable solely from revenues of the Motor~~  
27 ~~License Fund pledged to the commission for that purpose in~~  
28 ~~combination with amounts transferred under section~~  
29 ~~8915.3(4)(i) (relating to lease of Interstate 80).~~

30 ~~(b) Statement. A special revenue bond, note or other~~

1 ~~obligation issued under this chapter must contain a statement on~~  
2 ~~its face that:~~

3 ~~(1) the Commonwealth is not obligated to pay the bond,~~  
4 ~~note or obligation or the interest on it except from revenues~~  
5 ~~of the Motor License Fund pledged for that purpose in~~  
6 ~~combination with amounts transferred under section~~  
7 ~~8915.3(4)(i); and~~

8 ~~(2) neither the faith and credit nor the taxing power of~~  
9 ~~the Commonwealth is pledged to the payment of the principal~~  
10 ~~or interest of the bond, note or obligation.~~

11 ~~(c) Taxation. The issuance of a special revenue bond, note~~  
12 ~~or other obligation under this chapter shall not directly,~~  
13 ~~indirectly or contingently obligate the Commonwealth to levy a~~  
14 ~~tax or to make an appropriation for payment.~~

15 ~~§ 9511.3. Expenses.~~

16 ~~(a) Reimbursement. The commission shall be reimbursed for~~  
17 ~~the necessary expenses incurred in the performance of the duties~~  
18 ~~performed under the provisions of this chapter.~~

19 ~~(b) Source. All expenses incurred in carrying out the~~  
20 ~~provisions of this chapter shall be paid solely from funds~~  
21 ~~provided under the authority of this chapter, and sufficient~~  
22 ~~funds shall be provided under the authority of this chapter to~~  
23 ~~meet any liability or obligation incurred in carrying out the~~  
24 ~~provisions of this chapter.~~

25 ~~§ 9511.4. Special revenue bonds and preliminary or interim~~  
26 ~~financing.~~

27 ~~(a) Authorization. The commission is authorized to provide,~~  
28 ~~by resolution, for the issuance of special revenue bonds of the~~  
29 ~~commission up to an amount not exceeding \$4,000,000,000 for the~~  
30 ~~purpose of paying the cost of the department and bond related~~



1 ~~expenses. The resolution must recite an estimate of the cost of~~  
2 ~~the department. No more than \$600,000,000 of special revenue~~  
3 ~~bonds may be issued in any calendar year. No bond may be issued~~  
4 ~~under this section unless the lease agreement authorized under~~  
5 ~~section 8915.3 (relating to lease of Interstate 80) is in effect~~  
6 ~~as of the date of issuance. Special revenue refunding bonds as~~  
7 ~~set forth in section 9511.9 (relating to special revenue~~  
8 ~~refunding bonds) shall not be deemed to count against the total~~  
9 ~~or annual maximum issuance volume. The principal and interest of~~  
10 ~~the bond shall be payable solely from revenues of the Motor~~  
11 ~~License Fund pledged for that purpose to the commission in~~  
12 ~~combination with the amounts transferred under section~~  
13 ~~8915.3(4)(i).~~

14 ~~(b) Form.—~~

15 ~~(1) A bond may be issued in registered form.~~

16 ~~(2) A bond:~~

17 ~~(i) must be dated;~~

18 ~~(ii) must bear interest at a rate not exceeding the~~  
19 ~~rate permitted under applicable law;~~

20 ~~(iii) must be payable semiannually;~~

21 ~~(iv) must mature, as determined by the commission,~~  
22 ~~not exceeding 40 years from the date of the bond; and~~

23 ~~(v) may be made redeemable before maturity, at the~~  
24 ~~option of the commission, at a price and under terms and~~  
25 ~~conditions fixed by the commission prior to the issuance~~  
26 ~~of the bonds.~~

27 ~~(3) The amount of premium on a bond shall not cause the~~  
28 ~~yield to be more than permitted by applicable law from the~~  
29 ~~date of the bond to the date of redemption.~~

30 ~~(c) Issuance.—~~

~~(1) The bond may be issued in registered form. The commission may sell a bond in registered form at public or private sale and for a price it determines to be in the best interest of the Commonwealth, but no sale shall be made at a price so low as to require the payment of interest on the money received for the bond at more than the rate permitted by applicable law, computed with relation to the absolute maturity of the bond in accordance with standard tables of bond values.~~

~~(2) A bond may be issued at public or private sale in series with varying provisions as to all of the following:~~

~~(i) Rates of interest, which may be fixed or variable.~~

~~(ii) Maturity.~~

~~(iii) Other provisions not inconsistent with this chapter.~~

~~(d) Revenue share. All bonds, of whatever series, shall share ratably in the revenues pledged under this chapter as security for the bonds, although one series of bonds may have a lien on pledged revenues senior to the lien of another series of bonds.~~

~~(e) Payment.—~~

~~(1) The principal and interest of the bonds may be made payable in any lawful medium.~~

~~(2) The commission shall:~~

~~(i) determine the form of bonds; and~~

~~(ii) fix:~~

~~(A) the denomination of the bond; and~~

~~(B) the place of payment of principal and~~

~~interest of the bond, which may be at any bank or~~

1 ~~trust company within or without this Commonwealth.~~

2 ~~(f) Signature. The bond must bear the facsimile signature~~  
3 ~~of the Governor and of the chairman of the commission. The~~  
4 ~~facsimile of the official seal of the commission shall be~~  
5 ~~affixed to the bond and attested by the secretary and treasurer~~  
6 ~~of the commission. If an officer whose signature or facsimile of~~  
7 ~~a signature appears on a bond ceases to be an officer before the~~  
8 ~~delivery of the bond, the signature or facsimile shall~~  
9 ~~nevertheless be valid and sufficient for all purposes, as if the~~  
10 ~~officer remained in office until delivery.~~

11 ~~(g) Negotiability. A special revenue bond issued under this~~  
12 ~~chapter shall have all the qualities and incidents of a~~  
13 ~~negotiable instrument under 13 Pa.C.S. Div. 3 (relating to~~  
14 ~~negotiable instruments).~~

15 ~~(h) Proceeds.—~~

16 ~~(1) The proceeds of a bond shall be used solely for the~~  
17 ~~following:~~

18 ~~(i) Payment of the cost of the department.~~

19 ~~(ii) Bond related expenses.~~

20 ~~(iii) \$5,000,000 in the aggregate of the proceeds of~~  
21 ~~bonds issued in any fiscal year, other than a refunding~~  
22 ~~issue, shall be used for county roads and bridges and~~  
23 ~~\$30,000,000 of the proceeds in the aggregate of the bonds~~  
24 ~~issued in any fiscal year, other than a refunding issue,~~  
25 ~~shall be used for local roads and bridges to be allocated~~  
26 ~~under the act of June 1, 1956 (1955 P.L.1944, No.655),~~  
27 ~~referred to as the Liquid Fuels Tax Municipal Allocation~~  
28 ~~Law.~~

29 ~~(2) The proceeds of a bond shall be disbursed upon~~  
30 ~~requisition of the secretary under restrictions set forth in~~

~~the resolution authorizing the issuance of the bond or the trust indenture under section 9511.6 (relating to trust indenture, protection of holders of obligations and depositories).~~

~~(3) If the proceeds of a bond, by error of calculation or otherwise, shall be less than the cost of the department, additional bonds may be issued to provide the amount of the deficit and, unless otherwise provided in the resolution authorizing the issuance of the bonds or in the trust indenture, shall be deemed to be of the same issue and shall be entitled to payment from the same fund, without preference or priority of the bonds first issued.~~

~~(i) Temporary bonds. Prior to the preparation of definitive bonds, the commission may, under similar restrictions as those applicable to the definitive bonds, issue temporary bonds, exchangeable for definitive bonds upon the issuance of definitive bonds.~~

~~(j) Replacement bonds. The commission may provide for the replacement of a bond which becomes mutilated or is destroyed or lost. A replacement revenue bond may be issued without any other proceedings or the happening of any other condition than those proceedings and conditions required by this chapter.~~

~~(k) Status as securities.—~~

~~(1) A bond is made a security in which any of the following may properly and legally invest funds, including capital, belonging to them or within their control:~~

~~(i) Commonwealth and municipal officers.~~

~~(ii) Commonwealth agencies.~~

~~(iii) Banks, bankers, savings banks, trust companies, saving and loan associations, investment~~

~~companies and other persons carrying on a banking  
business.~~

~~(iv) Insurance companies, insurance associations and  
other persons carrying on an insurance business.~~

~~(v) Fiduciaries.~~

~~(vi) Other persons that are authorized to invest in  
bonds or other obligations of the Commonwealth.~~

~~(2) A bond is made a security which may properly and  
legally be deposited with and received by a Commonwealth or  
municipal officer or a Commonwealth agency for any purpose  
for which the deposit of bonds or other obligations of the  
Commonwealth is authorized by law.~~

~~(1) Borrowing. The following shall apply:~~

~~(1) The commission is authorized to do all of the  
following:~~

~~(i) Borrow money at an interest rate not exceeding  
the rate permitted by law.~~

~~(ii) Provide for preliminary or interim financing,  
up to but not exceeding the estimated total cost of the  
department and bond related expenses and to evidence the  
borrowing by the issuance of special revenue notes and,  
in its discretion, to pledge as collateral for the note  
or other obligation, a special revenue bond issued under  
the provisions of this chapter. The commission may renew  
the note or obligation and the payment or retirement of  
the note or obligation shall be considered to be payment  
of the cost of the project.~~

~~(2) A note or obligation issued under this subsection  
must comply with the following:~~

~~(i) Be executed by the same persons in the same~~

~~manner and with the same effect as provided in this section for the execution of a special revenue bond.~~

~~(ii) Contain a statement on its face that:~~

~~(A) the Commonwealth is not obligated to pay the note or obligation or interest on it, except from pledged revenues of the Motor License Fund; and~~

~~(B) neither the faith and credit nor the taxing power of the Commonwealth is pledged to the payment of its principal or interest.~~

~~(3) The issuance of a special revenue note or other obligation under this chapter shall not directly or indirectly or contingently obligate the Commonwealth to levy a tax or make an appropriation for payment.~~

~~(4) A note or other obligation issued under this subsection shall have all the qualities and incidents of a negotiable instrument under 13 Pa.C.S. (relating to commercial code).~~

~~§ 9511.5. Application of proceeds of obligations, lien of holders of obligations, design build requirement and projects approved by General Assembly.~~

~~(a) Application. The following shall apply:~~

~~(1) All money received from any bonds, notes or other obligations issued under this chapter shall be applied solely to the payment of the cost of the department or to the appurtenant fund.~~

~~(2) Until money received from any bonds, notes or other obligations issued under this chapter is applied under paragraph (1), a lien shall exist upon the money in favor of holders of the bonds, notes or other obligations or a trustee provided for in respect to the bonds, notes or other~~

1 ~~obligations.~~

2 ~~(b) Design build arrangements. To facilitate the timely~~  
3 ~~completion of projects to be financed by the department with~~  
4 ~~bond proceeds, the department shall be required to utilize~~  
5 ~~design build arrangements for each project estimated by the~~  
6 ~~department to have a value in excess of \$100,000,000. The~~  
7 ~~selection of the party for the design build arrangement must be~~  
8 ~~conducted in a manner consistent with the procurement and public~~  
9 ~~bidding laws applicable to the department.~~

10 ~~(c) Capital plan. All projects financed by the department~~  
11 ~~with bond proceeds must be set forth in the department's capital~~  
12 ~~plan current at the time of the financing and budget which~~  
13 ~~capital plan and budget shall be submitted to the General~~  
14 ~~Assembly on or before March 31 of each year commencing March 31,~~  
15 ~~2008.~~

16 ~~(d) Investment. Pending the application of proceeds to~~  
17 ~~costs of the department and bond related expenses, the~~  
18 ~~commission may invest the funds in permitted investments as~~  
19 ~~defined under any trust indenture if the investment is not~~  
20 ~~inconsistent with existing fiduciary obligations of the~~  
21 ~~commission.~~

22 ~~§ 9511.6. Trust indenture, protection of holders of obligations~~  
23 ~~and depositories.~~

24 ~~(a) Indenture. In the discretion of the commission, a bond,~~  
25 ~~note or other obligation may be secured by a trust indenture by~~  
26 ~~and between the commission and a corporate trustee, which may be~~  
27 ~~any trust company or bank having the powers of a trust company,~~  
28 ~~within or without this Commonwealth.~~

29 ~~(b) Pledge or assignment. A trust indenture under~~  
30 ~~subsection (a) may pledge or assign revenue to be received, but~~

1 ~~shall not convey or mortgage the turnpike or any part of the~~  
2 ~~turnpike.~~

3 ~~(c) Rights and remedies. The resolution providing for the~~  
4 ~~issuance of the bond, note or other obligation of the trust~~  
5 ~~indenture may contain provisions for protecting and enforcing~~  
6 ~~the rights and remedies of the bondholders or holders of notes~~  
7 ~~or other obligations as may be reasonable and proper and not in~~  
8 ~~violation of law, including covenants setting forth the duties~~  
9 ~~of the department in relation to the acquisition of properties,~~  
10 ~~the construction, maintenance, operation, repair and insurance~~  
11 ~~of the State highway and rural State highway system and the~~  
12 ~~custody, safeguarding and application of all money.~~

13 ~~(d) Depository. It shall be lawful for any bank or trust~~  
14 ~~company incorporated under the laws of this Commonwealth to act~~  
15 ~~as depository of the proceeds of the bond, note or other~~  
16 ~~obligation or revenue, to furnish indemnity bonds or to pledge~~  
17 ~~securities as may be required by the commission.~~

18 ~~(e) Indenture. The trust indenture may set forth the rights~~  
19 ~~and remedies of the bondholders or holders of notes or other~~  
20 ~~obligations and of the trustee and may restrict the individual~~  
21 ~~right of action of bondholders or holders of notes or other~~  
22 ~~obligations as is customary in trust indentures securing bonds,~~  
23 ~~debentures of corporations, notes or other obligations. The~~  
24 ~~trust indenture may contain other provisions as the commission~~  
25 ~~may deem reasonable and proper for the security of bondholders~~  
26 ~~or holders of notes or other obligations.~~

27 ~~§ 9511.7. Exemption from Commonwealth taxation.~~

28 ~~The effectuation of the purposes of this chapter is for the~~  
29 ~~benefit of the citizens of the Commonwealth and for the~~  
30 ~~improvement of their commerce and prosperity. Since the~~



~~1 commission will be performing essential government functions in  
2 effectuating these purposes, the commission shall not be  
3 required to pay any tax or assessment on any property acquired  
4 or used by it for the purposes provided under this chapter. A  
5 bond, note or other obligation issued by the commission, its  
6 transfer and the income from its issuance and transfer,  
7 including any profits made on the sale of the bond, note or  
8 other obligation, shall be free from taxation within the  
9 Commonwealth.~~

~~10 § 9511.8. Pledged revenues, contracts for use of turnpike,  
11 sinking fund and purchase or redemption of  
12 obligations.~~

~~13 (a) Authorization. The commission is authorized to collect  
14 the pledged revenues. The pledged revenues shall be fixed and  
15 adjusted as to provide funds at least sufficient to pay the  
16 bonds, notes or other obligations and the interest on the bonds,  
17 notes or other obligations. All sinking fund requirements and  
18 other requirements provided by the resolution authorizing the  
19 issuance of the bonds, notes or other obligations, or by the  
20 trust indenture, shall be fixed and adjusted as the bonds, notes  
21 or other obligations become due.~~

~~22 (b) Supervision. The pledged revenues shall not be subject  
23 to supervision or regulation by any Commonwealth agency other  
24 than the commission.~~

~~25 (c) Set aside. Except for the portion of the pledged  
26 revenues required to provide reserves as set forth in the  
27 resolution authorizing the issuance of the bonds, notes or other  
28 obligations or in the trust indenture, pledged revenues, to the  
29 degree amounts transferred under section 8915.3(4)(i)(relating  
30 to lease of Interstate 80) are not sufficient, shall be set~~

1 ~~aside at regular intervals as may be provided in the resolution~~  
2 ~~or trust indenture, in one or more accounts, which are pledged~~  
3 ~~to and charged with the payment of all of the following:~~

4 ~~(1) The interest upon a bond, note or other obligation,~~  
5 ~~as it shall become due and payable.~~

6 ~~(2) The principal of a bond, note or other obligation,~~  
7 ~~as it shall become due and payable.~~

8 ~~(3) The necessary fiscal agency charges for paying~~  
9 ~~principal and interest.~~

10 ~~(4) A premium upon a bond retired by call or purchase.~~

11 ~~(d) Sinking fund. The use and disposition of the sinking~~  
12 ~~fund shall be subject to regulations as may be provided in the~~  
13 ~~resolution authorizing the issuance of bonds, notes or other~~  
14 ~~obligations or in the trust indenture, but, except as may~~  
15 ~~otherwise be provided in the resolution or trust indenture, the~~  
16 ~~sinking fund shall be a fund for the benefit of all bonds, notes~~  
17 ~~or other obligations issued under this chapter, without~~  
18 ~~distinction or priority of one over another.~~

19 ~~(e) Application of money. Subject to the provisions of the~~  
20 ~~resolutions authorizing the issuance of bonds, notes or other~~  
21 ~~obligations or of the trust indenture, any money in the sinking~~  
22 ~~fund in excess of an amount equal to one year's interest on all~~  
23 ~~bonds, notes or other obligations then outstanding may be~~  
24 ~~applied to the purchase or redemption of bonds, notes or other~~  
25 ~~obligations. All bonds, notes or other obligations purchased or~~  
26 ~~redeemed under this subsection shall be canceled and shall not~~  
27 ~~again be issued.~~

28 ~~§ 9511.9. Special revenue refunding bonds.~~

29 ~~The commission is authorized to provide, by resolution, for~~  
30 ~~the issuance of special revenue refunding bonds of the~~

~~1 commission for the purpose of refunding any special revenue  
2 bonds, notes or other obligations issued under the provisions of  
3 this chapter and then outstanding. The issuance of the special  
4 revenue refunding bonds, the maturities and other details of the  
5 bonds, the rights of the holders of the bonds and the duties of  
6 the department and of the commission with respect to the bonds  
7 shall be governed by the provisions of this chapter.~~

~~8 § 9511.10. Remedies of trustees and of holders of obligations.~~

~~9 (a) Grant of rights. A holder of a bond, note or other  
10 obligation issued under this chapter and the trustee under the  
11 trust indenture may, either at law or in equity, by suit,  
12 action, mandamus or other proceeding, do all of the following:~~

~~13 (1) Protect and enforce any right granted under this  
14 chapter or under the resolution or trust indenture.~~

~~15 (2) Enforce and compel performance of all duties  
16 required under this chapter or by resolution or trust  
17 indenture to be performed by the commission or any officer of  
18 its officers, including the collection of the pledged  
19 reserves or amounts transferred under section 8915.3(4)(i)  
20 (relating to lease of Interstate 80).~~

~~21 (b) Exception. Rights given under this chapter may be  
22 restricted by resolution passed before the issuance of the  
23 bonds, notes or other obligations, or by the trust indenture.~~

~~24 § 9511.11. Motor License Fund proceeds.~~

~~25 The balance of the proceeds deposited in the Motor License  
26 Fund under section 20 of the act of April 17, 1997 (P.L.6,  
27 No.3), entitled, "An act amending Titles 74 (Transportation) and  
28 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further  
29 providing for annual appropriation and computation of subsidy  
30 and for distribution of funding; providing for distribution of~~

1 ~~supplemental funding; further providing for use of funds~~  
2 ~~distributed; providing for public transportation grants~~  
3 ~~management accountability, for competitive procurement and for~~  
4 ~~the Public Transportation Assistance Fund; further providing for~~  
5 ~~period of registration, for duties of agents, for registration~~  
6 ~~and other fees, for requirements for periodic inspection of~~  
7 ~~vehicles, for limits on number of towed vehicles, for operation~~  
8 ~~of certain combinations on interstate and other highways and for~~  
9 ~~width and length of vehicles; providing for liquid fuels and~~  
10 ~~fuels permits and bond or deposit of securities, for imposition~~  
11 ~~of liquid fuels and fuels tax, for taxpayer, for distributor's~~  
12 ~~report and payment of tax, for determination of tax, penalties~~  
13 ~~and interest, for examination of records and equipment, for~~  
14 ~~retention of records by distributors and dealers, for~~  
15 ~~disposition and use of tax, for discontinuance or transfer of~~  
16 ~~business, for suspension or revocation of permits, for lien of~~  
17 ~~taxes, penalties and interest, for collection of unpaid taxes,~~  
18 ~~for reports from common carriers, for violations and reward for~~  
19 ~~detection of violations, for refunds, for diesel fuel importers~~  
20 ~~and transporters, for prohibiting use of dyed diesel fuel, for~~  
21 ~~disposition of fees, fines and forfeitures, for certified copies~~  
22 ~~of records and for uncollectible checks; further providing for~~  
23 ~~distribution of State highway maintenance funds and for~~  
24 ~~standards and methodology for data collection; providing for~~  
25 ~~dirt and gravel road maintenance; further providing for~~  
26 ~~imposition of tax and additional tax; providing for tax on~~  
27 ~~alternative fuels; further providing for disposition of tax~~  
28 ~~revenue; making an appropriation; and making repeals," is~~  
29 ~~pledged to secure bonds issued by the commission. The proceeds~~  
30 ~~may be pledged to secure bonds to be issued by the commission on~~

~~1 behalf of the department for the construction, reconstruction,  
2 widening, expansion, extension, maintenance and repair of and  
3 safety on bridges and costs and expenses incident to those tasks  
4 and fees and expenses of the commission related to the issuance  
5 of the bonds, including bond related expenses. Each month, the  
6 State Treasurer shall transfer amounts as are necessary, in  
7 combination with amounts transferred under sections  
8 8915.3(4)(i)(relating to lease of Interstate 80) and 9511  
9 (relating to allocation of proceeds) to satisfy the provisions  
10 of the bond indenture relating to bonds issued under this  
11 section and those amounts are authorized to be appropriated.~~

~~12 § 9511.12. Supplement to other laws and liberal construction.~~

~~13 This chapter shall be regarded as supplemental and additional  
14 to powers conferred by other statutes and shall not be regarded  
15 as in derogation of any powers existing on the effective date of  
16 this section. The provisions of this chapter, being necessary  
17 for the welfare of the Commonwealth and its citizens shall be  
18 liberally construed to effect the purposes of this chapter.~~

~~19 Section 6. (a) Financial assistance made by the Department  
20 of Transportation to an award recipient under 74 Pa.C.S. Ch. 13  
21 prior to the effective date of this section may continue to be  
22 used by award recipients for operating or capital expenses upon  
23 the same terms and conditions as are contained in the notice of  
24 grant award or grant agreement executed in connection with the  
25 award, if the funds are expended within five years following the  
26 effective date of this section.~~

~~27 (b) The Department of Transportation may continue to use all  
28 funds appropriated or otherwise made available to it for public  
29 transportation purposes prior to the effective date of this  
30 section in accordance with the laws under which the funds were~~

1 ~~made available.~~

2 ~~Section 7. The following shall apply:~~

3 ~~(1) The General Assembly declares that the repeal under~~  
4 ~~paragraph (2) is necessary to effectuate the addition of 74~~  
5 ~~Pa.C.S. Ch. 81.~~

6 ~~(2) The act of September 30, 1985 (P.L.240, No.61),~~  
7 ~~known as the Turnpike Organization, Extension and Toll Road~~  
8 ~~Conversion Act is repealed.~~

9 ~~(3) Section 207.1(c)(2) of the act of April 9, 1929~~  
10 ~~(P.L.177, No.175), known as The Administrative Code of 1929,~~  
11 ~~is repealed insofar as it is inconsistent with the addition~~  
12 ~~of 74 Pa.C.S. § 8105.~~

13 ~~(4) Sections 2301(a) and (b) of the act of March 4, 1971~~  
14 ~~(P.L.6, No.2), known as the Tax Reform Code of 1971, insofar~~  
15 ~~as they relate to the establishment and existence of the~~  
16 ~~Public Transportation Assistance Fund are repealed.~~

17 ~~(5) All other acts and parts of acts are repealed~~  
18 ~~insofar as they are inconsistent with this act.~~

19 ~~Section 8. The addition of 74 Pa.C.S. Ch. 81 is a~~  
20 ~~continuation of the act of September 30, 1985 (P.L.240, No.61),~~  
21 ~~known as the Turnpike Organization, Extension and Toll Road~~  
22 ~~Conversion Act. The following shall apply:~~

23 ~~(1) Except as otherwise provided under 74 Pa.C.S. Ch.~~  
24 ~~81, all activities initiated under the Turnpike Organization,~~  
25 ~~Extension and Toll Road Conversion Act shall continue and~~  
26 ~~remain in full force and effect and may be completed under 74~~  
27 ~~Pa.C.S. Ch. 81. Orders, regulations, rules and decisions~~  
28 ~~which were made under the Turnpike Organization, Extension~~  
29 ~~and Toll Road Conversion Act and which are in effect on the~~  
30 ~~effective date of section 7(2) of this act shall remain in~~

1 ~~full force and effect until revoked, vacated or modified~~  
2 ~~under 74 Pa.C.S. Ch. 81. Contracts, obligations and~~  
3 ~~collective bargaining agreements entered into under the~~  
4 ~~Turnpike Organization, Extension and Toll Road Conversion Act~~  
5 ~~are not affected nor impaired by the repeal of the Turnpike~~  
6 ~~Organization, Extension and Toll Road Conversion Act.~~

7 ~~(2) Except as set forth in paragraph (3), any difference~~  
8 ~~in language between 74 Pa.C.S. Ch. 81 and the Turnpike~~  
9 ~~Organization, Extension and Toll Road Conversion Act is~~  
10 ~~intended only to conform to the style of the Pennsylvania~~  
11 ~~Consolidated Statutes and is not intended to change or affect~~  
12 ~~the legislative intent, judicial construction or~~  
13 ~~administration and implementation of the Turnpike~~  
14 ~~Organization, Extension and Toll Road Conversion Act.~~

15 ~~(3) Paragraph (2) does not apply to the addition of 74~~  
16 ~~Pa.C.S. § 8105.~~

17 ~~Section 9. This act shall take effect as follows:~~

18 ~~(1) The following provisions shall take effect~~  
19 ~~immediately:~~

20 ~~(i) The addition of 74 Pa.C.S. § 8105.~~

21 ~~(ii) Section 7(3) of this act.~~

22 ~~(iii) This section.~~

23 ~~(2) The remainder of this act shall take effect in 60~~  
24 ~~days.~~

25 SECTION 3. TITLE 74 IS AMENDED BY ADDING A CHAPTER TO READ: <—

26 CHAPTER 15

27 SUSTAINABLE MOBILITY OPTIONS

28 SEC.

29 1501. SCOPE OF CHAPTER.

30 1502. (RESERVED).

- 1 1503. DEFINITIONS.
- 2 1504. DEPARTMENT AUTHORIZATION.
- 3 1505. REGULATIONS.
- 4 1506. FUND.
- 5 1507. APPLICATION AND APPROVAL PROCESS.
- 6 1508. FEDERAL FUNDING.
- 7 1509. LIMITATION ON DECISIONS, FINDINGS AND REGULATIONS OF  
8 DEPARTMENT.
- 9 1510. PROGRAM OVERSIGHT AND ADMINISTRATION.
- 10 1511. REPORT TO GOVERNOR AND GENERAL ASSEMBLY.
- 11 1512. COORDINATION.
- 12 1513. OPERATING PROGRAM.
- 13 1514. ASSET IMPROVEMENT PROGRAM.
- 14 1515. NEW INITIATIVES PROGRAM.
- 15 1516. PROGRAMS OF STATEWIDE SIGNIFICANCE.
- 16 1517. CAPITAL IMPROVEMENTS PROGRAM.
- 17 1518. PROGRAM OVERSIGHT AND ADMINISTRATION.
- 18 1519. RETROACTIVE AUTHORITY.

19 § 1501. SCOPE OF CHAPTER.

20 THIS CHAPTER RELATES TO SUSTAINABLE MOBILITY OPTIONS.

21 § 1502. (RESERVED).

22 § 1503. DEFINITIONS.

23 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER  
24 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
25 CONTEXT CLEARLY INDICATES OTHERWISE:

26 "ACCESS TO JOBS PROJECT." A PROJECT RELATING TO THE  
27 DEVELOPMENT AND MAINTENANCE OF TRANSPORTATION SERVICES DESIGNED  
28 TO TRANSPORT WELFARE RECIPIENTS AND ELIGIBLE LOW-INCOME  
29 INDIVIDUALS TO AND FROM JOBS AND ACTIVITIES RELATED TO THEIR  
30 EMPLOYMENT AS DEFINED UNDER 49 U.S.C. § 5316 (RELATING TO JOB



1 ACCESS AND REVERSE COMMUTE FORMULA GRANTS).

2 "AMERICANS WITH DISABILITIES ACT." THE AMERICANS WITH  
3 DISABILITIES ACT OF 1990 (PUBLIC LAW 101-336, 104 STAT. 327).

4 "ASSET MAINTENANCE COSTS." ALL VEHICLE MAINTENANCE EXPENSES,  
5 NONVEHICLE MAINTENANCE AND MATERIALS EXPENSES AND THE COST OF  
6 SUPPLIES USED IN THE OPERATION OF LOCAL TRANSPORTATION  
7 ORGANIZATIONS AND TRANSPORTATION COMPANIES.

8 "AWARD RECIPIENT." A RECIPIENT OF FINANCIAL ASSISTANCE UNDER  
9 THIS CHAPTER.

10 "BASE OPERATING ALLOCATION." THE TOTAL AMOUNT OF STATE  
11 OPERATING ASSISTANCE, REIMBURSEMENT IN LIEU OF FARES FOR SENIOR  
12 PASSENGERS AND OTHER ASSISTANCE WHICH WAS USED FOR OPERATING  
13 ASSISTANCE AS DETERMINED BY THE DEPARTMENT IN FISCAL YEAR 2005-  
14 2006.

15 "CAPITAL EXPENDITURES." ALL COSTS OF CAPITAL PROJECTS,  
16 INCLUDING, BUT NOT LIMITED TO, THE COSTS OF ACQUISITION,  
17 CONSTRUCTION, INSTALLATION, START-UP OF OPERATIONS, IMPROVEMENTS  
18 AND ALL WORK AND MATERIALS INCIDENT THERETO.

19 "CAPITAL PROJECT." A SYSTEM OR COMPONENT OF THE SYSTEM FOR  
20 THE PROVISION OF PUBLIC PASSENGER TRANSPORTATION. THE TERM  
21 INCLUDES VEHICLES; INFRASTRUCTURE POWER; PASSENGER AMENITIES;  
22 STORAGE AND MAINTENANCE BUILDINGS; PARKING FACILITIES; THE LAND  
23 ON WHICH ANY CAPITAL PROJECT IS SITUATED AND THE LAND NEEDED TO  
24 SUPPORT IT, WHETHER OWNED IN WHOLE OR IN PART; OVERHAUL OF  
25 VEHICLES; DEBT SERVICE AND THE COST OF ISSUANCE OF BONDS, NOTES  
26 AND OTHER EVIDENCES OF INDEBTEDNESS WHICH A LOCAL TRANSPORTATION  
27 ORGANIZATION OR TRANSPORTATION COMPANY IS PERMITTED TO ISSUE  
28 UNDER ANY LAW OF THIS COMMONWEALTH.

29 "COMMONWEALTH CAPITAL BONDS." EVIDENCE OF DEBT INCURRED BY  
30 THE COMMONWEALTH UNDER THE ACT OF FEBRUARY 9, 1999 (P.L.1,

1 NO.1), KNOWN AS THE CAPITAL FACILITIES DEBT ENABLING ACT.

2 "COMMUNITY TRANSPORTATION SERVICE" OR "SHARED RIDE SERVICE."  
3 DOOR-TO-DOOR DEMAND TRANSPORTATION THAT IS AVAILABLE TO THE  
4 GENERAL PUBLIC ON A NONEXCLUSIVE BASIS, OPERATES ON A NONFIXED  
5 ROUTE BASIS AND CHARGES A FARE TO ALL RIDERS. THE TERM DOES NOT  
6 INCLUDE EXCLUSIVE RIDE TAXI SERVICE, CHARTER AND SIGHTSEEING  
7 SERVICE, NONPUBLIC TRANSPORTATION, SCHOOL BUS AND LIMOUSINE  
8 SERVICE.

9 "COMMUNITY TRANSPORTATION SYSTEM." A PERSON THAT PROVIDES  
10 COMMUNITY TRANSPORTATION SERVICE AND CONTRACTS WITH THE  
11 DEPARTMENT OF TRANSPORTATION TO RECEIVE REVENUE REPLACEMENT  
12 FUNDS.

13 "DEPARTMENT." THE DEPARTMENT OF TRANSPORTATION OF THE  
14 COMMONWEALTH.

15 "FINANCIAL ASSISTANCE." GRANTS OR OTHER TYPES OF FINANCIAL  
16 SUPPORT PROVIDED BY THE DEPARTMENT OF TRANSPORTATION UNDER THIS  
17 CHAPTER.

18 "FIXED GUIDEWAY SYSTEM." A FIXED-ROUTE PUBLIC TRANSPORTATION  
19 SERVICE THAT USES AND OCCUPIES A SEPARATE RIGHT-OF-WAY OR RAIL  
20 LINE FOR THE EXCLUSIVE USE OF PUBLIC TRANSPORTATION AND OTHER  
21 HIGH OCCUPANCY VEHICLES OR USES A FIXED CATENARY SYSTEM AND A  
22 RIGHT-OF-WAY USABLE BY OTHER FORMS OF TRANSPORTATION. THE TERM  
23 INCLUDES LIGHT RAIL, COMMUTER RAIL, AUTOMATED GUIDEWAY TRANSIT,  
24 PEOPLE MOVERS, FERRY BOAT SERVICE AND FIXED GUIDEWAY FACILITIES  
25 FOR BUSES SUCH AS BUS RAPID TRANSIT AND HIGH OCCUPANCY VEHICLES.

26 "FIXED-ROUTE PUBLIC TRANSPORTATION SERVICE." REGULARLY  
27 SCHEDULED GENERAL PUBLIC TRANSPORTATION THAT IS PROVIDED  
28 ACCORDING TO PUBLISHED SCHEDULES ALONG DESIGNATED ROUTES, WITH  
29 SPECIFIED STOPPING POINTS FOR THE TAKING ON AND DISCHARGING OF  
30 PASSENGERS, INCLUDING PUBLIC BUS AND COMMUTER RAIL SYSTEMS AND

1 OTHER DEPARTMENT-APPROVED SERVICE. THE TERM DOES NOT INCLUDE  
2 EXCLUSIVE RIDE TAXI SERVICE, CHARTER OR SIGHTSEEING SERVICE,  
3 NONPUBLIC TRANSPORTATION, SCHOOL BUS AND LIMOUSINE SERVICE.

4 "FUND." THE PUBLIC TRANSPORTATION TRUST FUND ESTABLISHED  
5 UNDER SECTION 1506 (RELATING TO FUND).

6 "INTERCITY BUS SERVICE." PASSENGER BUS SERVICE OF 35 MILES  
7 OR MORE IN LENGTH THAT IS PROVIDED WITH AN OVER-THE-ROAD BUS AND  
8 OPERATED BETWEEN TWO NONCONTIGUOUS URBANIZED AREAS, BETWEEN AN  
9 URBANIZED AREA LOCATED IN ONE COUNTY AND RURAL COMMUNITIES  
10 LOCATED IN ANOTHER COUNTY OR BETWEEN RURAL COMMUNITIES LOCATED  
11 IN DIFFERENT COUNTIES AND CONTAINS ALL OF THE FOLLOWING

12 ELEMENTS:

13 (1) SERVICE THAT IS OPERATED FOR A FARE ON A REGULARLY  
14 SCHEDULED FIXED-ROUTE BASIS.

15 (2) SERVICE THAT IS OFFERED TO AND UTILIZED BY THE  
16 GENERAL PUBLIC WITHOUT PRECONDITIONS OF ADVANCE RESERVATION  
17 OR MEMBERSHIP IN A PARTICULAR ORGANIZATION.

18 "INTERCITY PASSENGER RAIL SERVICE." PASSENGER RAILROAD  
19 SERVICE THAT CONNECTS TWO OR MORE URBANIZED AREAS AND IS  
20 DETERMINED BY THE DEPARTMENT OF TRANSPORTATION TO QUALIFY AS  
21 INTERCITY SERVICE RATHER THAN COMMUTER RAIL SERVICE.

22 "JOB ACCESS AND REVERSE COMMUTE PROJECT." A PROJECT FUNDED  
23 BY THE FEDERAL TRANSIT ADMINISTRATION UNDER FEDERAL LAW.

24 "LOCAL TRANSPORTATION ORGANIZATION." ANY OF THE FOLLOWING:

25 (1) A POLITICAL SUBDIVISION OR A PUBLIC TRANSPORTATION  
26 PORT OR REDEVELOPMENT AUTHORITY ORGANIZED UNDER THE LAWS OF  
27 THIS COMMONWEALTH OR PURSUANT TO AN INTERSTATE COMPACT OR  
28 OTHERWISE EMPOWERED TO RENDER, CONTRACT FOR THE RENDERING OR  
29 ASSIST IN THE RENDERING OF TRANSPORTATION SERVICE IN A  
30 LIMITED AREA IN THIS COMMONWEALTH, EVEN THOUGH IT MAY ALSO

1 RENDER OR ASSIST IN RENDERING TRANSPORTATION SERVICE IN  
2 ADJACENT STATES.

3 (2) A NONPROFIT ASSOCIATION THAT DIRECTLY OR INDIRECTLY  
4 PROVIDES PUBLIC TRANSPORTATION SERVICE.

5 (3) A NONPROFIT ASSOCIATION OF PUBLIC TRANSPORTATION  
6 PROVIDERS OPERATING WITHIN THIS COMMONWEALTH.

7 "MATERIALS AND SUPPLIES." THOSE CATEGORIES OF EXPENSES AS  
8 SPECIFIED IN UNIFORM SYSTEM OF ACCOUNTS EXPENSE OBJECT CLASS  
9 504, NATIONAL TRANSIT DATABASE OPERATING EXPENSES FORM F 30,  
10 NATIONAL TRANSIT DATABASE, FINAL RULE, FEDERAL TRANSIT  
11 ADMINISTRATION, DATED JANUARY 15, 1993, OR ANY SUCCESSOR.

12 "NEW FIXED GUIDEWAY SYSTEM." A NEWLY CONSTRUCTED FIXED  
13 GUIDEWAY SYSTEM IN A CORRIDOR OR ALIGNMENT WHERE NO SUCH SYSTEM  
14 PREVIOUSLY EXISTED.

15 "NEW FREEDOM PROGRAM." A PUBLIC TRANSPORTATION PROGRAM  
16 DESIGNED TO PROVIDE FUNDS TO RECIPIENTS FOR NEW PUBLIC  
17 TRANSPORTATION SERVICES AND PUBLIC TRANSPORTATION ALTERNATIVES  
18 BEYOND THOSE REQUIRED BY THE AMERICANS WITH DISABILITIES ACT OF  
19 1990 (PUBLIC LAW 101-336, 104 STAT. 327) THAT ASSIST INDIVIDUALS  
20 WITH DISABILITIES WITH TRANSPORTATION, INCLUDING TRANSPORTATION  
21 TO AND FROM JOBS AND EMPLOYMENT SUPPORT SERVICES ADMINISTERED  
22 UNDER THE PROVISIONS OF 49 U.S.C. § 5317 (RELATING TO NEW  
23 FREEDOM PROGRAM).

24 "NEW START." THE TERM SHALL HAVE THE SAME MEANING GIVEN IT  
25 IN 49 CFR § 611.5 (RELATING TO DEFINITIONS).

26 "NONURBANIZED AREA." AN AREA WITHIN THIS COMMONWEALTH THAT  
27 DOES NOT FALL WITHIN AN AREA CLASSIFIED AS "URBANIZED" BY THE  
28 UNITED STATES BUREAU OF THE CENSUS OF THE UNITED STATES  
29 DEPARTMENT OF COMMERCE IN THE MOST RECENT CENSUS OF POPULATION.

30 "NONVEHICLE MAINTENANCE EXPENSES." THE CATEGORIES OF COSTS

1 ASSOCIATED WITH THE INSPECTION, MAINTENANCE AND REPAIR OF  
2 ASSETS, OTHER THAN VEHICLES, AS SPECIFIED IN UNIFORM SYSTEM OF  
3 ACCOUNTS, EXPENSE FUNCTION 042, NATIONAL TRANSIT DATABASE  
4 OPERATING EXPENSES FORM, F 30, NATIONAL TRANSIT DATABASE, FINAL  
5 RULE, FEDERAL TRANSIT ADMINISTRATION, DATED JANUARY 15, 1993, OR  
6 ANY SUCCESSOR.

7 "OPERATING EXPENSES." TOTAL EXPENSES REQUIRED TO CONTINUE  
8 SERVICE TO THE PUBLIC AND TO PERMIT NEEDED IMPROVEMENTS IN  
9 SERVICE WHICH ARE NOT SELF-SUPPORTING AND OTHERWISE FOR ANY  
10 PURPOSE IN FURTHERANCE OF PUBLIC PASSENGER TRANSPORTATION,  
11 INCLUDING ALL STATE ASSET MAINTENANCE COSTS. THE TERM DOES NOT  
12 INCLUDE EXPENDITURES FOR CAPITAL PROJECTS UNLESS SPECIFIC  
13 APPROVAL IS PROVIDED BY THE DEPARTMENT OF TRANSPORTATION.

14 "OPERATING REVENUE." THE TOTAL REVENUE EARNED BY A LOCAL  
15 TRANSPORTATION ORGANIZATION OR A TRANSPORTATION COMPANY THROUGH  
16 ITS TRANSIT OPERATIONS. THE TERM INCLUDES ALL OF THE FOLLOWING:

17 (1) PASSENGER FARES.

18 (2) REIMBURSEMENTS PROVIDED IN LIEU OF FARES FOR SENIOR  
19 PASSENGERS.

20 (3) CHARTER, SCHOOL BUS AND ADVERTISING REVENUE.

21 (4) OTHER MISCELLANEOUS REVENUE SUCH AS PUBLIC AND  
22 PRIVATE ROUTE GUARANTEE FUNDS.

23 "PARATRANSIT SERVICE." TRANSIT SERVICE OPERATING ON A  
24 NONFIXED-ROUTE BASIS IN ORDER TO PROVIDE COMPLEMENTARY  
25 TRANSPORTATION SERVICE TO PERSONS WHO ARE FUNCTIONALLY UNABLE TO  
26 USE FIXED-ROUTE TRANSPORTATION, AS REQUIRED BY THE AMERICANS  
27 WITH DISABILITIES ACT OF 1990 (PUBLIC LAW 101-336, 104 STAT.  
28 327).

29 "PASSENGERS." THE TOTAL OF ALL ORIGINATING PASSENGERS PLUS  
30 TRANSFER PASSENGERS CARRIED ON FIXED ROUTE SERVICE AND

1 PARATRANSIT SERVICE WITH RESPECT TO THE MOST RECENT FISCAL YEAR  
2 AS REPORTED IN THE MOST RECENTLY PUBLISHED PUBLIC PASSENGER  
3 TRANSPORTATION PERFORMANCE REPORT.

4 "PUBLIC PASSENGER TRANSPORTATION." TRANSPORTATION WITHIN AN  
5 AREA THAT INCLUDES A MUNICIPALITY OR OTHER BUILT-UP PLACE THAT  
6 IS APPROPRIATE IN THE JUDGMENT OF THE DEPARTMENT OF  
7 TRANSPORTATION TO SERVE COMMUTERS OR OTHERS IN THE LOCALITY,  
8 TAKING INTO CONSIDERATION THE LOCAL PATTERNS AND TRENDS OF  
9 GROWTH BY BUS OR RAIL OR OTHER CONVEYANCE, EITHER PUBLICLY OR  
10 PRIVATELY OWNED, SERVING THE GENERAL PUBLIC. THE TERM DOES NOT  
11 INCLUDE SCHOOL BUSES, CHARTER OR SIGHTSEEING SERVICES.

12 "PUBLIC PASSENGER TRANSPORTATION PERFORMANCE REPORT." AN  
13 ANNUAL REPORT COMPLETED BY THE DEPARTMENT OF TRANSPORTATION  
14 WHICH SHALL INCLUDE ALL OF THE FOLLOWING:

15 (1) EACH LOCAL TRANSPORTATION ORGANIZATION'S PASSENGERS,  
16 REVENUE VEHICLE MILES, REVENUE VEHICLE HOURS, AND SENIOR  
17 PASSENGERS STATISTICS FOR THE MOST RECENTLY AVAILABLE FISCAL  
18 YEAR.

19 (2) ANY OTHER STATISTICAL INFORMATION THAT THE  
20 DEPARTMENT OF TRANSPORTATION DEEMS NECESSARY OR USEFUL.

21 "REVENUE REPLACEMENT FUNDS." PAYMENTS MADE TO LOCAL  
22 TRANSPORTATION ORGANIZATIONS AND TRANSPORTATION COMPANIES TO  
23 OFFSET OR PARTIALLY OFFSET FARES.

24 "REVENUE VEHICLE HOURS." THE TOTAL AMOUNT OF TIME CALCULATED  
25 IN HOURS DURING WHICH VEHICLES ARE IN SERVICE AND AVAILABLE FOR  
26 PUBLIC USE IN FIXED-ROUTE SERVICE OR PARATRANSIT SERVICE WITH  
27 RESPECT TO THE MOST RECENT FISCAL YEAR AS REPORTED IN THE MOST  
28 RECENT PUBLIC PASSENGER TRANSPORTATION PERFORMANCE REPORT. THE  
29 TERM DOES NOT INCLUDE DEADHEAD HOURS.

30 "REVENUE VEHICLE MILES." THE TOTAL AMOUNT OF DISTANCE

1 CALCULATED IN MILES DURING WHICH VEHICLES ARE IN SERVICE AND  
2 AVAILABLE FOR PUBLIC USE IN FIXED-ROUTE SERVICE OR PARATRANSIT  
3 SERVICE WITH RESPECT TO THE MOST RECENT FISCAL YEAR AS REPORTED  
4 IN THE MOST RECENT PUBLIC PASSENGER TRANSPORTATION PERFORMANCE  
5 REPORT. THE TERM DOES NOT INCLUDE DEADHEAD MILES.

6 "REVERSE COMMUTE PROJECT." A PUBLIC TRANSPORTATION PROJECT  
7 DESIGNED TO TRANSPORT RESIDENTS OF URBANIZED AND NONURBANIZED  
8 AREAS TO SUBURBAN EMPLOYMENT OPPORTUNITIES AS DEFINED UNDER 49  
9 U.S.C. § 5316 (RELATING TO JOB ACCESS AND REVERSE COMMUTE  
10 FORMULA GRANTS).

11 "SECRETARY." THE SECRETARY OF TRANSPORTATION OF THE  
12 COMMONWEALTH.

13 "SENIOR CITIZEN." A PERSON WHO IS AT LEAST 65 YEARS OF AGE.

14 "SENIOR PASSENGER." A SENIOR CITIZEN WHO RIDES ON FIXED-  
15 ROUTE SERVICE.

16 "SENIOR PASSENGERS." THE NUMBER OF SENIOR PASSENGERS  
17 TRANSPORTED BY A LOCAL TRANSPORTATION ORGANIZATION WITH RESPECT  
18 TO THE MOST RECENT FISCAL YEAR AS REPORTED IN THE MOST RECENTLY  
19 PUBLISHED PUBLIC PASSENGER TRANSPORTATION PERFORMANCE REPORT.

20 "TAX REFORM CODE." THE ACT OF MARCH 4, 1971 (P.L.6, NO.2),  
21 KNOWN AS THE TAX REFORM CODE OF 1971.

22 "TRANSPORTATION COMPANY." A PERSON THAT RENDERS PUBLIC  
23 PASSENGER TRANSPORTATION SERVICE.

24 "URBANIZED AREA." A PORTION OF THIS COMMONWEALTH CLASSIFIED  
25 AS URBANIZED BY THE UNITED STATES BUREAU OF THE CENSUS OF THE  
26 UNITED STATES DEPARTMENT OF COMMERCE IN THE MOST RECENT CENSUS  
27 OF POPULATION.

28 "VEHICLE MAINTENANCE EXPENSES." THE CATEGORIES OF COSTS  
29 ASSOCIATED WITH THE INSPECTION, MAINTENANCE AND REPAIR OF  
30 VEHICLES AS SPECIFIED IN UNIFORM SYSTEM OF ACCOUNTS, EXPENSE

1 FUNCTION 041, NATIONAL TRANSIT DATABASE OPERATING EXPENSES FORM  
2 F 30, NATIONAL TRANSIT DATABASE, FINAL RULE, FEDERAL TRANSIT  
3 ADMINISTRATION, DATED JANUARY 15, 1993, OR ANY SUCCESSOR.

4 "WELFARE-TO-WORK." ANY FEDERAL OR STATE PROGRAM DESIGNED TO  
5 MOVE INDIVIDUALS FROM DEPENDENCY ON PUBLIC WELFARE PROGRAMS TO  
6 SELF-SUFFICIENCY THROUGH PAID WORK.

7 § 1504. DEPARTMENT AUTHORIZATION.

8 (A) GENERAL.--THE DEPARTMENT MAY, WITHIN THE LIMITATIONS  
9 PROVIDED IN THIS CHAPTER, INCUR COSTS DIRECTLY AND PROVIDE  
10 FINANCIAL ASSISTANCE FOR THE PURPOSES AND ACTIVITIES ENUMERATED  
11 IN THIS CHAPTER.

12 (B) SUPPLEMENTATION OF FEDERAL AND LOCAL FUNDS.--THE  
13 AUTHORITY CONFERRED ON THE DEPARTMENT BY THIS CHAPTER INCLUDES,  
14 BUT IS NOT LIMITED TO, PROVIDING FINANCIAL ASSISTANCE FOR PUBLIC  
15 PASSENGER TRANSPORTATION PURPOSES AND TO SUPPLEMENT FEDERAL  
16 FUNDING OR LOCAL FUNDING OR BOTH.

17 § 1505. REGULATIONS.

18 (A) GENERAL RULE.--TO EFFECTUATE AND ENFORCE THE PROVISIONS  
19 OF THIS CHAPTER, THE DEPARTMENT SHALL PROMULGATE NECESSARY RULES  
20 AND REGULATIONS AND PRESCRIBE CONDITIONS AND PROCEDURES IN ORDER  
21 TO ASSURE COMPLIANCE IN CARRYING OUT THE PURPOSES FOR WHICH  
22 FINANCIAL ASSISTANCE MAY BE PROVIDED UNDER THIS CHAPTER.

23 (B) TEMPORARY REGULATIONS.--

24 (1) UNLESS OTHERWISE PROVIDED IN THIS CHAPTER, IN ORDER  
25 TO FACILITATE THE PROMPT IMPLEMENTATION OF THIS CHAPTER,  
26 DURING THE TWO-YEAR PERIOD FOLLOWING THE EFFECTIVE DATE OF  
27 THIS SECTION, THE DEPARTMENT SHALL PROMULGATE TEMPORARY  
28 REGULATIONS WHICH SHALL EXPIRE FOUR YEARS FROM THE EFFECTIVE  
29 DATE OF THIS SECTION. THE TEMPORARY REGULATIONS SHALL BE  
30 EXEMPT FROM THE FOLLOWING:



1           (I) THE ACT OF OCTOBER 15, 1980 (P.L.950, NO.164),  
2           KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.

3           (II) SECTION 205 OF THE ACT OF JULY 31, 1968  
4           (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH  
5           DOCUMENTS LAW.

6           (III) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),  
7           KNOWN AS THE REGULATORY REVIEW ACT.

8           (2) THE AUTHORITY OF THE DEPARTMENT TO PROMULGATE  
9           TEMPORARY REGULATIONS UNDER THIS SUBSECTION SHALL EXPIRE TWO  
10          YEARS FROM THE EFFECTIVE DATE OF THIS SECTION. REGULATIONS  
11          ADOPTED AFTER THE TWO-YEAR PERIOD SHALL BE PROMULGATED AS  
12          PROVIDED BY STATUTE.

13   § 1506. FUND.

14          (A) ESTABLISHMENT.--A SPECIAL FUND IS ESTABLISHED WITHIN THE  
15          STATE TREASURY TO BE KNOWN AS THE PUBLIC TRANSPORTATION TRUST  
16          FUND. MONEY IN THE FUND IS HEREBY APPROPRIATED, UPON APPROVAL OF  
17          THE GOVERNOR, TO THE DEPARTMENT FOR THE PURPOSES SET FORTH UNDER  
18          THIS CHAPTER.

19          (B) DEPOSITS TO FUND BY DEPARTMENT.--

20                  (1) THE FOLLOWING APPLY:

21                          (I) EXCEPT AS PROVIDED UNDER SUBPARAGRAPH (II), UPON  
22                          RECEIPT, THE DEPARTMENT SHALL DEPOSIT INTO THE FUND THE  
23                          REVENUES RECEIVED BY THE DEPARTMENT UNDER 75 PA.C.S. CH.  
24                          89 (RELATING TO PENNSYLVANIA TURNPIKE) AND THE LEASE  
25                          AGREEMENT EXECUTED BETWEEN THE DEPARTMENT AND THE  
26                          PENNSYLVANIA TURNPIKE COMMISSION UNDER 75 PA.C.S. §  
27                          8915.3 (RELATING TO LEASE OF INTERSTATE 80) AS FOLLOWS:

28                                  (A) FOR FISCAL YEAR 2007-2008, \$250,000,000.

29                                  (B) FOR FISCAL YEAR 2008-2009, \$250,000,000.

30                                  (C) FOR FISCAL YEAR 2009-2010, \$250,000,000.

1                   (D) FOR FISCAL YEAR 2010-2011 AND EACH FISCAL  
2                   YEAR THEREAFTER, THE AMOUNT CALCULATED FOR THE  
3                   PREVIOUS FISCAL YEAR, INCREASED ANNUALLY BY 2.5%.

4                   (II) THE DEPOSITS MADE TO THE FUND UNDER THIS  
5                   SUBSECTION SHALL EQUAL \$250,000,000 ANNUALLY FOR EACH  
6                   FISCAL YEAR COMMENCING AFTER THE EXPIRATION OF THE  
7                   CONVERSION PERIOD IF THE CONVERSION NOTICE IS NOT  
8                   RECEIVED BY THE SECRETARY PRIOR TO EXPIRATION OF THE  
9                   CONVERSION PERIOD AS SET FORTH UNDER 75 PA.C.S. §  
10                  8915.3(3).

11                  (2) UPON RECEIPT, THE DEPARTMENT SHALL DEPOSIT THE  
12                  AMOUNT MADE AVAILABLE TO THE DEPARTMENT AS AN EXECUTIVE  
13                  AUTHORIZATION AND ANY APPROPRIATION FOR THE 2007-2008 FISCAL  
14                  YEAR AND EACH FISCAL YEAR THEREAFTER FROM THE STATE LOTTERY  
15                  FUND FOR FIXED ROUTE TRANSIT AND FOR THE FREE TRANSIT PROGRAM  
16                  FOR SENIOR CITIZENS ESTABLISHED UNDER THE ACT OF AUGUST 26,  
17                  1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY LAW. THE  
18                  FUNDS DEPOSITED UNDER THIS PARAGRAPH SHALL ONLY BE USED AS  
19                  PERMITTED BY THE STATE LOTTERY LAW, EXCEPT THAT:

20                  (I) FUNDS MAY BE USED TO PAY ESTIMATED TRANSIT  
21                  LOSSES RESULTING FROM PROVIDING FREE SERVICE FOR SENIOR  
22                  PASSENGERS DURING THE PROVIDER'S REGULAR HOURS OF  
23                  SERVICE; AND

24                  (II) FARES FOR SENIOR CITIZENS ON COMMUTER RAIL  
25                  SERVICE SHALL BE LIMITED TO \$1 PER TRIP AND SHALL BE  
26                  EXTENDED TO ALL HOURS OF COMMUTER RAIL SERVICE.

27                  (C) OTHER DEPOSITS.--THE FOLLOWING SHALL BE DEPOSITED INTO  
28                  THE FUND:

29                  (1) 4.4% OF THE AMOUNT COLLECTED UNDER ARTICLE II OF THE  
30                  TAX REFORM CODE INTO THE FUND. REVENUES UNDER THIS PARAGRAPH

1 SHALL BE DEPOSITED INTO THE FUND BY THE 20TH DAY OF EACH  
2 MONTH FOR THE PRECEDING MONTH. THE AMOUNT DEPOSITED UNDER  
3 THIS PARAGRAPH IS ESTIMATED TO BE EQUIVALENT OF THE MONEY  
4 AVAILABLE TO THE DEPARTMENT FROM FOLLOWING SOURCES:

5 (I) THE SUPPLEMENTAL PUBLIC TRANSPORTATION ACCOUNT  
6 ESTABLISHED UNDER FORMER SECTION 1310.1 (RELATING TO  
7 SUPPLEMENTAL PUBLIC TRANSPORTATION ASSISTANCE FUNDING).

8 (II) THE AMOUNT APPROPRIATED ANNUALLY BY THE  
9 COMMONWEALTH FROM THE GENERAL FUND FOR MASS TRANSIT  
10 PROGRAMS PURSUANT TO A GENERAL APPROPRIATIONS ACT.

11 (2) PROCEEDS OF COMMONWEALTH CAPITAL BONDS.

12 (3) REVENUE IN THE PUBLIC TRANSPORTATION ASSISTANCE FUND  
13 ESTABLISHED UNDER ARTICLE XXIII OF THE TAX REFORM CODE NOT  
14 OTHERWISE DEDUCTED PURSUANT TO LAW.

15 (4) OTHER APPROPRIATIONS OR TRANSFERS TO THE FUND.

16 (D) USE OF REVENUES.--MONEY IN THE FUND SHALL BE USED BY THE  
17 DEPARTMENT AS FOLLOWS:

18 (1) TO PROVIDE FINANCIAL ASSISTANCE THROUGH THE PROGRAMS  
19 ESTABLISHED UNDER THIS CHAPTER;

20 (2) FOR COSTS INCURRED DIRECTLY BY THE DEPARTMENT IN THE  
21 ADMINISTRATION OF PUBLIC PASSENGER TRANSPORTATION PROGRAMS,  
22 INCLUDING UNDER THIS CHAPTER; AND

23 (3) FOR ALL OTHER PURPOSES ENUMERATED UNDER THIS  
24 CHAPTER.

25 (E) PROGRAM FUNDING AMOUNTS.--SUBJECT TO AVAILABLE FUNDS,  
26 THE PROGRAMS ESTABLISHED UNDER THIS CHAPTER SHALL BE FUNDED AS  
27 FOLLOWS:

28 (1) FOR THE PROGRAM ESTABLISHED UNDER SECTION 1513  
29 (RELATING TO OPERATING PROGRAM), THE FOLLOWING AMOUNTS SHALL  
30 BE ALLOCATED FROM THE FUND:

1           (I) ALL REVENUES DEPOSITED IN THE FUND UNDER  
2           SUBSECTION (B)(1).

3           (II) ALL REVENUES DEPOSITED IN THE FUND UNDER  
4           SUBSECTION (B)(2).

5           (III) 69.99% OF THE REVENUES DEPOSITED IN THE FUND  
6           UNDER SUBSECTION (C)(1).

7           (2) (I) EXCEPT AS PROVIDED UNDER SUBPARAGRAPH (II), FOR  
8           THE PROGRAM ESTABLISHED UNDER SECTION 1514 (RELATING TO ASSET  
9           IMPROVEMENT PROGRAM):

10           (A) BY THE PROCEEDS OF COMMONWEALTH CAPITAL  
11           BONDS.

12           (B) FOR FISCAL YEAR 2008-2009, \$100,000,000 FROM  
13           THE REVENUES RECEIVED BY THE DEPARTMENT UNDER 75  
14           PA.C.S. CH. 89 AND THE LEASE AGREEMENT EXECUTED  
15           BETWEEN THE DEPARTMENT AND THE PENNSYLVANIA TURNPIKE  
16           COMMISSION UNDER 75 PA.C.S. § 8915.3. THE AMOUNT  
17           RECEIVED BY THE DEPARTMENT UNDER THIS SECTION SHALL  
18           BE DEPOSITED INTO THE FUND PRIOR TO DISTRIBUTION AND  
19           SHALL BE IN ADDITION TO THE AMOUNTS RECEIVED UNDER  
20           SUBSECTION (B)(1).

21           (C) FOR FISCAL YEAR 2009-2010, \$150,000,000 FROM  
22           THE REVENUES RECEIVED BY THE DEPARTMENT UNDER 75  
23           PA.C.S. CH. 89 AND THE LEASE AGREEMENT EXECUTED  
24           BETWEEN THE DEPARTMENT AND THE PENNSYLVANIA TURNPIKE  
25           COMMISSION UNDER 75 PA.C.S. § 8915.3. THE AMOUNT  
26           RECEIVED BY THE DEPARTMENT UNDER THIS SECTION SHALL  
27           BE DEPOSITED INTO THE FUND PRIOR TO DISTRIBUTION AND  
28           SHALL BE IN ADDITION TO THE AMOUNTS RECEIVED UNDER  
29           SUBSECTION (B)(1).

30           (D) FOR FISCAL YEAR 2010-2011 AND EACH FISCAL

1           YEAR THEREAFTER, \$150,000,000, INCREASED ANNUALLY BY  
2           2.5% FROM THE REVENUES RECEIVED BY THE DEPARTMENT  
3           UNDER 75 PA.C.S. CH. 89 AND THE LEASE AGREEMENT  
4           EXECUTED BETWEEN THE DEPARTMENT AND THE PENNSYLVANIA  
5           TURNPIKE COMMISSION UNDER 75 PA.C.S. § 8915.3. THE  
6           AMOUNT RECEIVED BY THE DEPARTMENT UNDER THIS SECTION  
7           SHALL BE DEPOSITED INTO THE FUND PRIOR TO  
8           DISTRIBUTION AND SHALL BE IN ADDITION TO THE AMOUNTS  
9           RECEIVED UNDER SUBSECTION (B)(1).

10           (II) IF THE CONVERSION NOTICE IS NOT RECEIVED BY THE  
11           SECRETARY PRIOR TO THE END OF THE CONVERSION PERIOD AS  
12           SET FORTH IN 75 PA.C.S. § 8915.3(3), NO PAYMENT SHALL BE  
13           REQUIRED UNDER THIS SUBPARAGRAPH.

14           (3) FOR THE PROGRAM ESTABLISHED UNDER SECTION 1516  
15           (RELATING TO PROGRAMS OF STATEWIDE SIGNIFICANCE), 5.5% OF THE  
16           REVENUES DEPOSITED IN THE FUND UNDER SUBSECTION (C)(1) SHALL  
17           BE ALLOCATED FROM THE FUND.

18           (4) FOR THE PROGRAM ESTABLISHED UNDER SECTION 1517  
19           (RELATING TO CAPITAL IMPROVEMENTS PROGRAM), 16.77% OF THE  
20           REVENUES DEPOSITED IN THE FUND UNDER SUBSECTION (C)(1).  
21           ADDITIONAL FUNDS FOR THIS PROGRAM MAY BE PROVIDED FROM THE  
22           FUNDS ALLOCATED BUT NOT DISTRIBUTED BASED ON THE LIMITATION  
23           SET FORTH UNDER SECTION 1513(C).

24   § 1507. APPLICATION AND APPROVAL PROCESS.

25           (A) APPLICATION.--AN ELIGIBLE APPLICANT THAT WISHES TO  
26           RECEIVE FINANCIAL ASSISTANCE UNDER THIS CHAPTER SHALL SUBMIT A  
27           WRITTEN APPLICATION TO THE DEPARTMENT, ON A FORM DEVELOPED BY  
28           THE DEPARTMENT, WHICH SHALL INCLUDE THE FOLLOWING:

29           (1) THE NAME AND ADDRESS OF THE APPLICANT.

30           (2) THE NAME AND TELEPHONE NUMBER OF A CONTACT PERSON

1 FOR THE APPLICANT.

2 (3) THE AMOUNT AND TYPE OF FINANCIAL ASSISTANCE  
3 REQUESTED AND THE PROPOSED USE OF THE FUNDS.

4 (4) A STATEMENT AS TO THE PARTICULAR NEED FOR THE  
5 FINANCIAL ASSISTANCE.

6 (5) A CERTIFIED COPY OF A CURRENT RESOLUTION AUTHORIZING  
7 SUBMISSION OF THE APPLICATION IF THE APPLICANT IS A GOVERNING  
8 BODY.

9 (6) EVIDENCE SATISFACTORY TO THE DEPARTMENT OF THE  
10 COMMITMENT FOR MATCHING FUNDS REQUIRED UNDER THIS CHAPTER  
11 SUFFICIENT TO MATCH THE PROJECTED FINANCIAL ASSISTANCE  
12 PAYMENTS AT THE SAME TIMES THAT THE FINANCIAL ASSISTANCE  
13 PAYMENTS ARE TO BE PROVIDED.

14 (7) ANY OTHER INFORMATION THE DEPARTMENT DEEMS NECESSARY  
15 OR DESIRABLE.

16 (B) APPROVAL AND AWARD.--UPON DETERMINING THAT AN APPLICANT  
17 HAS COMPLIED WITH THIS CHAPTER, APPLICABLE RULES AND REGULATIONS  
18 AND ANY OTHER REQUIREMENT WITH RESPECT TO THE FINANCIAL  
19 ASSISTANCE REQUESTED, THE DEPARTMENT MAY AWARD FINANCIAL  
20 ASSISTANCE TO THE APPLICANT. IF THE DEPARTMENT AWARDS FINANCIAL  
21 ASSISTANCE TO THE APPLICANT, THE DEPARTMENT AND THE APPLICANT  
22 SHALL ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT SETTING FORTH  
23 THE TERMS AND CONDITIONS GOVERNING THE USE OF THE FINANCIAL  
24 ASSISTANCE AND THE TIMING OF PAYMENT OF THE FUNDS. THE  
25 DEPARTMENT SHALL DEVELOP GUIDELINES FOR THE APPLICATION FOR AND  
26 AWARDING OF FINANCIAL ASSISTANCE UNDER THIS CHAPTER AND SHALL  
27 FORWARD THEM TO THE LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION  
28 IN THE PENNSYLVANIA BULLETIN.

29 (C) RESTRICTION ON USE OF FUNDS.--FINANCIAL ASSISTANCE UNDER  
30 THIS CHAPTER SHALL BE USED ONLY FOR ACTIVITIES SET FORTH UNDER

1 THE FINANCIAL AGREEMENT UNLESS THE DEPARTMENT GRANTS THE AWARD  
2 RECIPIENT A WAIVER ALLOWING THE FUNDS TO BE USED FOR A DIFFERENT  
3 PURPOSE. THE DEPARTMENT'S REGULATIONS SHALL DESCRIBE  
4 CIRCUMSTANCES UNDER WHICH IT WILL CONSIDER WAIVER REQUESTS AND  
5 SHALL SET FORTH ALL INFORMATION TO BE INCLUDED IN A WAIVER  
6 REQUEST. THE MAXIMUM DURATION OF A WAIVER SHALL BE ONE YEAR, AND  
7 A WAIVER REQUEST SHALL INCLUDE A PLAN OF CORRECTIVE ACTION TO  
8 DEMONSTRATE THAT THE AWARD RECIPIENT DOES NOT HAVE AN ONGOING  
9 NEED TO USE FINANCIAL ASSISTANCE FUNDS FOR ACTIVITIES OTHER THAN  
10 THOSE FOR WHICH FUNDS WERE ORIGINALLY AWARDED.

11 § 1508. FEDERAL FUNDING.

12 (A) GENERAL RULE.--THE DEPARTMENT SHALL ADMINISTER THE  
13 PROGRAM ESTABLISHED UNDER THIS CHAPTER IN A MANNER THAT PERMITS  
14 FULL COOPERATION BETWEEN FEDERAL, STATE AND LOCAL GOVERNMENTS,  
15 AGENCIES AND INSTRUMENTALITIES, LOCAL TRANSPORTATION  
16 ORGANIZATIONS AND PRIVATE INTERESTS, SO AS TO RESULT IN AS  
17 EFFECTIVE AND ECONOMICAL A PROGRAM AS POSSIBLE.

18 (B) AGREEMENTS.--THE DEPARTMENT MAY ENTER INTO AGREEMENTS  
19 FOR MUTUAL COOPERATION BETWEEN OR AMONG THE DEPARTMENT AND A  
20 FEDERAL AGENCY, LOCAL TRANSPORTATION ORGANIZATION OR  
21 TRANSPORTATION COMPANY CONCERNING A PROJECT TO BE FUNDED WITH  
22 FINANCIAL ASSISTANCE UNDER THIS CHAPTER, INCLUDING JOINT  
23 APPLICATIONS FOR FEDERAL GRANTS.

24 (C) GENERAL AUTHORITY OF DEPARTMENT.--THE DEPARTMENT MAY DO  
25 ANYTHING NECESSARY OR DESIRABLE TO SECURE FINANCIAL AID OR  
26 COOPERATION OF A FEDERAL AGENCY FOR A PROJECT FUNDED WITH  
27 FINANCIAL ASSISTANCE UNDER THIS CHAPTER AND TO COMPLY WITH A  
28 FEDERAL STATUTE OR LAWFUL REQUIREMENT OF A FEDERAL AGENCY  
29 AUTHORIZED TO ADMINISTER A PROGRAM OF FEDERAL AID TO  
30 TRANSPORTATION. THE DEPARTMENT MAY ENTER INTO A PROTECTIVE

1 AGREEMENT WITH ORGANIZED LABOR TO THE EXTENT REQUIRED UNDER 49  
2 U.S.C. § 5333 (RELATING TO LABOR STANDARDS) IN ORDER TO OBTAIN  
3 FEDERAL GRANT MONEY FOR TRANSPORTATION ASSISTANCE. PROTECTIVE  
4 AGREEMENTS SHALL BE NARROWLY DRAWN AND STRICTLY CONSTRUED TO  
5 PROVIDE NO MORE THAN THE MINIMUM PROTECTIONS REQUIRED BY THE  
6 UNITED STATES DEPARTMENT OF LABOR FOR THE AGREEMENTS.

7 (D) DIRECT RECIPIENTS.--LOCAL TRANSPORTATION ORGANIZATIONS  
8 THAT ARE DIRECT RECIPIENTS OF FEDERAL FUNDING SHALL BE UNDER NO  
9 OBLIGATION TO ENTER INTO CONTRACTS WITH THE DEPARTMENT FOR  
10 EXPENDITURE OF THOSE FUNDS, EXCEPT THAT THE DEPARTMENT MAY  
11 REQUIRE A CONTRACT FOR EXPENDITURE OF THE STATE PORTION OF THE  
12 PROJECT ASSISTED BY THOSE FEDERAL FUNDS.

13 § 1509. LIMITATION ON DECISIONS, FINDINGS AND REGULATIONS OF  
14 DEPARTMENT.

15 ALL DECISIONS, FINDINGS AND REGULATIONS MADE BY THE  
16 DEPARTMENT PURSUANT TO THIS CHAPTER SHALL BE FOR THE PURPOSES OF  
17 THIS CHAPTER ONLY AND SHALL NOT CONSTITUTE EVIDENCE BEFORE A  
18 REGULATORY BODY OF THIS COMMONWEALTH OR ANY OTHER JURISDICTION.

19 § 1510. PROGRAM OVERSIGHT AND ADMINISTRATION.

20 (A) REVIEW AND OVERSIGHT.--THE DEPARTMENT SHALL INITIATE AND  
21 MAINTAIN A PROGRAM OF FINANCIAL AND PERFORMANCE REVIEW AND  
22 OVERSIGHT FOR ALL PROGRAMS RECEIVING FINANCIAL ASSISTANCE UNDER  
23 THIS CHAPTER. THE DEPARTMENT MAY PERFORM INDEPENDENT FINANCIAL  
24 AUDITS OF EACH AWARD RECIPIENT TO ENSURE COMPLIANCE BY AWARD  
25 RECIPIENTS WITH THIS CHAPTER, DEPARTMENT REGULATIONS AND  
26 POLICIES AND FINANCIAL ASSISTANCE AGREEMENTS. AUDITS SHALL BE  
27 CONDUCTED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING  
28 STANDARDS.

29 (B) STATE RAIL TRANSIT SAFETY INSPECTION PROGRAM.--THE  
30 DEPARTMENT MAY CONDUCT A STATE RAIL TRANSIT SAFETY INSPECTION



1 PROGRAM, AS MAY BE DEFINED FROM TIME TO TIME BY THE FEDERAL  
2 TRANSIT ADMINISTRATION, TO MEET OVERSIGHT REQUIREMENTS OF THE  
3 FEDERAL TRANSIT ADMINISTRATION. THE PUBLIC TRANSPORTATION MODES  
4 COVERED SHALL INCLUDE HEAVY RAIL, LIGHT RAIL, TRACKLESS TROLLEY  
5 BUS AND INCLINED PLANE SERVICES AND RELATED FACILITIES.

6 § 1511. REPORT TO GOVERNOR AND GENERAL ASSEMBLY.

7 THE FOLLOWING SHALL APPLY:

8 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), THE DEPARTMENT  
9 SHALL FILE A PUBLIC PASSENGER TRANSPORTATION PERFORMANCE  
10 REPORT WITH THE GOVERNOR AND THE GENERAL ASSEMBLY BY APRIL 30  
11 OF EACH YEAR, COVERING THE PRIOR FISCAL YEAR.

12 (2) THE REPORT COVERING THE 2005-2006 FISCAL YEAR SHALL  
13 BE PUBLISHED BY JULY 31, 2007.

14 § 1512. COORDINATION.

15 COORDINATION IS REQUIRED IN REGIONS WHERE TWO OR MORE AWARD  
16 RECIPIENTS HAVE SERVICES OR ACTIVITIES FOR WHICH FINANCIAL  
17 ASSISTANCE IS BEING PROVIDED UNDER THIS CHAPTER TO ASSURE THAT  
18 THE SERVICES OR ACTIVITIES ARE PROVIDED EFFICIENTLY AND  
19 EFFECTIVELY.

20 § 1513. OPERATING PROGRAM.

21 (A) ELIGIBLE APPLICANTS.--THE FOLLOWING MAY APPLY FOR  
22 FINANCIAL ASSISTANCE FOR OPERATING EXPENSES UNDER THIS SECTION:

23 (1) THE GOVERNING BODY OF A MUNICIPALITY OR AN  
24 INSTRUMENTALITY OF A MUNICIPALITY.

25 (2) A COMMONWEALTH AGENCY OR INSTRUMENTALITY.

26 (3) A LOCAL TRANSPORTATION ORGANIZATION.

27 (B) APPLICATIONS.--IN ADDITION TO INFORMATION REQUIRED UNDER  
28 SECTION 1507 (RELATING TO APPLICATION AND APPROVAL PROCESS), AN  
29 APPLICATION FOR FINANCIAL ASSISTANCE UNDER THIS SECTION SHALL  
30 INCLUDE THE APPLICANT'S REASONABLE ESTIMATES OF OPERATING

1 REVENUE AND GOVERNMENT SUBSIDIES SUFFICIENT TO COVER ALL  
2 PROJECTED OPERATING EXPENSES.

3 (C) DISTRIBUTION FORMULA.--

4 (1) NO LATER THAN 15 BUSINESS DAYS AFTER THE EFFECTIVE  
5 DATE OF THIS SECTION THE DEPARTMENT SHALL FORWARD TO THE  
6 LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION IN THE  
7 PENNSYLVANIA BULLETIN THE BASE OPERATING ALLOCATION FOR EACH  
8 LOCAL TRANSPORTATION ORGANIZATION.

9 (2) FOR FISCAL YEAR 2007-2008 AND EVERY FISCAL YEAR  
10 THEREAFTER EACH LOCAL TRANSPORTATION ORGANIZATION SHALL  
11 RECEIVE FINANCIAL ASSISTANCE WHICH SHALL CONSIST OF THE  
12 FOLLOWING:

13 (I) ITS BASE OPERATING ALLOCATION MULTIPLIED BY  
14 1.0506.

15 (II) AN ADDITIONAL AMOUNT WHICH SHALL BE ALLOCATED  
16 BASED ON THE FOLLOWING DISTRIBUTION FORMULA:

17 (A) TWENTY-FIVE PERCENT OF THE AWARD AMOUNT  
18 SHALL BE BASED ON THE NUMBER OF PASSENGERS. THE  
19 ACTUAL AMOUNT RECEIVED BY EACH LOCAL TRANSPORTATION  
20 ORGANIZATION UNDER THIS CLAUSE SHALL BE CALCULATED AS  
21 FOLLOWS:

22 (I) MULTIPLY THE TOTAL AMOUNT OF FUNDING  
23 AVAILABLE FOR DISTRIBUTION UNDER THIS PARAGRAPH  
24 BY 0.25.

25 (II) MULTIPLY THE PRODUCT UNDER SUBCLAUSE  
26 (I) BY THE LOCAL TRANSPORTATION ORGANIZATION'S  
27 NUMBER OF PASSENGERS.

28 (III) DIVIDE THE PRODUCT UNDER SUBCLAUSE  
29 (II) BY THE TOTAL NUMBER OF PASSENGERS FOR ALL  
30 QUALIFYING LOCAL TRANSPORTATION ORGANIZATIONS.

1                   (B) TEN PERCENT OF THE AWARD AMOUNT SHALL BE  
2                   BASED ON THE NUMBER OF SENIOR PASSENGERS TO OFFSET  
3                   FREE FARES FOR SENIOR PASSENGERS. THE ACTUAL AMOUNT  
4                   RECEIVED BY EACH LOCAL TRANSPORTATION ORGANIZATION  
5                   UNDER THIS CLAUSE SHALL BE CALCULATED AS FOLLOWS:

6                   (I) MULTIPLY THE TOTAL AMOUNT OF FUNDING  
7                   AVAILABLE FOR DISTRIBUTION UNDER THIS PARAGRAPH  
8                   BY 0.10.

9                   (II) MULTIPLY THE PRODUCT UNDER SUBCLAUSE  
10                  (I) BY THE LOCAL TRANSPORTATION ORGANIZATION'S  
11                  NUMBER OF SENIOR PASSENGERS.

12                  (III) DIVIDE THE PRODUCT UNDER SUBCLAUSE  
13                  (II) BY THE TOTAL NUMBER OF SENIOR PASSENGERS FOR  
14                  ALL QUALIFYING LOCAL TRANSPORTATION  
15                  ORGANIZATIONS.

16                   (C) THIRTY-FIVE PERCENT OF THE AWARD AMOUNT  
17                   SHALL BE BASED ON THE NUMBER OF REVENUE VEHICLE  
18                   HOURS. THE ACTUAL AMOUNT RECEIVED BY EACH LOCAL  
19                   TRANSPORTATION ORGANIZATION UNDER THIS CLAUSE SHALL  
20                   BE CALCULATED AS FOLLOWS:

21                   (I) MULTIPLY THE TOTAL AMOUNT OF FUNDING  
22                   AVAILABLE FOR DISTRIBUTION UNDER THIS PARAGRAPH  
23                   BY 0.35.

24                   (II) MULTIPLY THE PRODUCT UNDER SUBCLAUSE  
25                   (I) BY THE LOCAL TRANSPORTATION ORGANIZATION'S  
26                   NUMBER OF REVENUE VEHICLE HOURS.

27                   (III) DIVIDE THE PRODUCT UNDER SUBCLAUSE  
28                   (II) BY THE TOTAL OF THE REVENUE VEHICLE HOURS  
29                   FOR ALL QUALIFYING LOCAL TRANSPORTATION  
30                   ORGANIZATIONS.

1                   (D) THIRTY PERCENT OF THE AWARD AMOUNT SHALL BE  
2                   BASED ON THE NUMBER OF REVENUE VEHICLE MILES. THE  
3                   ACTUAL AMOUNT RECEIVED BY EACH LOCAL TRANSPORTATION  
4                   ORGANIZATION UNDER THIS CLAUSE SHALL BE CALCULATED AS  
5                   FOLLOWS:

6                   (I) MULTIPLY THE TOTAL AMOUNT OF FUNDING  
7                   AVAILABLE FOR DISTRIBUTION UNDER THIS PARAGRAPH  
8                   BY 0.30.

9                   (II) MULTIPLY THE PRODUCT UNDER SUBCLAUSE  
10                  (I) BY THE LOCAL TRANSPORTATION ORGANIZATION'S  
11                  NUMBER OF REVENUE VEHICLE MILES.

12                  (III) DIVIDE THE PRODUCT UNDER SUBCLAUSE  
13                  (II) BY THE TOTAL NUMBER OF REVENUE VEHICLE MILES  
14                  FOR ALL QUALIFYING LOCAL TRANSPORTATION  
15                  ORGANIZATIONS.

16                  (3) FOR THE 2007-2008 FISCAL YEAR, NO LOCAL  
17                  TRANSPORTATION ORGANIZATION SHALL RECEIVE TOTAL FINANCIAL  
18                  ASSISTANCE UNDER THIS SUBSECTION THAT WOULD BE MORE THAN 50%  
19                  HIGHER THAN THE AMOUNT UNDER PARAGRAPH (2)(I). FOR EACH  
20                  SUBSEQUENT FISCAL YEAR, THE INCREASE IN THE TOTAL FINANCIAL  
21                  ASSISTANCE PROVIDED TO EACH APPLICANT SHALL NOT EXCEED 20% OF  
22                  THE PRIOR YEAR ALLOCATION.

23                  (D) LOCAL MATCH REQUIREMENTS.--

24                  (1) FOR FISCAL YEAR 2007-2008 AND EACH FISCAL YEAR  
25                  THEREAFTER, FINANCIAL ASSISTANCE PROVIDED UNDER THIS SECTION  
26                  SHALL BE MATCHED BY LOCAL OR PRIVATE CASH FUNDING IN AN  
27                  AMOUNT NOT LESS THAN THE GREATER OF:

28                  (I) 15% OF THE AMOUNT OF THE FINANCIAL ASSISTANCE  
29                  BEING PROVIDED; OR

30                  (II) THE AMOUNT REQUIRED UNDER FORMER SECTION

1           1311(D) (RELATING TO USE OF FUNDS DISTRIBUTED) FOR FISCAL  
2           YEAR 2006-2007.

3           (2) IN FISCAL YEAR 2007-2008 AND EACH FISCAL YEAR  
4           THEREAFTER, IF THE LOCAL MATCH REQUIRED UNDER THIS SUBSECTION  
5           DOES NOT EQUAL 15%, THE LOCAL MATCH SHALL BE INCREASED  
6           ANNUALLY IN AN AMOUNT NOT TO EXCEED 5% UNTIL THE LOCAL MATCH  
7           EQUALS 15%.

8           (3) FOR FINANCIAL ASSISTANCE TO A LOCAL TRANSPORTATION  
9           ORGANIZATION, ELIGIBLE LOCAL MATCHING FUNDS SHALL CONSIST  
10          ONLY OF CASH CONTRIBUTIONS PROVIDED BY ONE OR MORE  
11          MUNICIPALITIES OR COUNTIES THAT ARE MEMBERS OF THE LOCAL  
12          TRANSPORTATION ORGANIZATION. THE AMOUNT OF THE MATCH AND THE  
13          TIME PERIOD DURING WHICH THE MATCH MUST CONTINUE TO BE  
14          AVAILABLE SHALL BE SPECIFIED IN THE FINANCIAL ASSISTANCE  
15          AGREEMENT. FUNDING PROVIDED BY LOCAL AND PRIVATE ENTITIES,  
16          INCLUDING ADVERTISING OR NAMING RIGHTS, MAY BE ELIGIBLE FOR  
17          THE MATCH TO THE EXTENT THEY PROVIDE FOR THE COST OF TRANSIT  
18          SERVICE THAT IS OPEN TO THE PUBLIC. THE FOLLOWING SHALL NOT  
19          BE ELIGIBLE FOR A LOCAL MATCH:

20                (I) ANY FORM OF TRANSIT OPERATING REVENUE OR OTHER  
21                FORMS OF TRANSIT INCOME PROVIDED BY THE LOCAL  
22                TRANSPORTATION ORGANIZATION.

23                (II) FUNDS USED TO REPLACE FARES.

24           (4) A MUNICIPALITY IN A METROPOLITAN AREA WHICH IS A  
25           MEMBER OF A LOCAL TRANSPORTATION ORGANIZATION IS AUTHORIZED  
26           TO PROVIDE ANNUAL FINANCIAL ASSISTANCE FROM CURRENT REVENUES  
27           TO THE LOCAL TRANSPORTATION ORGANIZATION OF WHICH IT IS A  
28           MEMBER OR ENTER INTO A LONG-TERM AGREEMENT FOR PAYMENT OF  
29           MONEY TO ASSIST IN DEFRAYING THE COSTS OF OPERATION,  
30           MAINTENANCE AND DEBT SERVICE OF THE LOCAL TRANSPORTATION

1 ORGANIZATION OR OF A PARTICULAR PUBLIC TRANSPORTATION PROJECT  
2 OF A LOCAL TRANSPORTATION ORGANIZATION. THE OBLIGATION OF A  
3 MUNICIPALITY UNDER AN AGREEMENT PURSUANT TO THIS PARAGRAPH  
4 SHALL NOT BE CONSIDERED TO BE A PART OF THE INDEBTEDNESS OF  
5 THE MUNICIPALITY, NOR SHALL THE OBLIGATION BE DEEMED TO  
6 IMPAIR THE STATUS OF ANY INDEBTEDNESS OF THE MUNICIPALITY  
7 WHICH WOULD OTHERWISE BE CONSIDERED SELF-SUSTAINING.

8 (E) PERFORMANCE REVIEWS.--

9 (1) THE DEPARTMENT MAY CONDUCT PERFORMANCE REVIEWS OF AN  
10 AWARD RECIPIENT UNDER THIS SECTION TO DETERMINE THE  
11 EFFICIENCY AND EFFECTIVENESS OF THE FINANCIAL ASSISTANCE.  
12 REVIEWS SHALL BE CONDUCTED AT REGULAR INTERVALS AS  
13 ESTABLISHED BY THE DEPARTMENT IN CONSULTATION WITH THE  
14 MANAGEMENT OF THE AWARD RECIPIENT. AFTER COMPLETION OF A  
15 REVIEW, THE DEPARTMENT SHALL ISSUE A REPORT THAT:

16 (I) HIGHLIGHTS EXCEPTIONAL PERFORMANCE AND  
17 IDENTIFIES ANY PROBLEMS THAT NEED TO BE RESOLVED;

18 (II) ASSESSES PERFORMANCE, EFFICIENCY AND  
19 EFFECTIVENESS OF THE USE OF THE FINANCIAL ASSISTANCE;

20 (III) MAKES RECOMMENDATIONS ON FOLLOW-UP ACTIONS  
21 REQUIRED TO REMEDY ANY PROBLEM IDENTIFIED; AND

22 (IV) PROVIDES AN ACTION PLAN DOCUMENTING WHO SHOULD  
23 PERFORM THE RECOMMENDED ACTIONS AND A TIME FRAME WITHIN  
24 WHICH THEY SHOULD BE PERFORMED.

25 (2) THE DEPARTMENT SHALL DELIVER THE REPORT TO THE  
26 GOVERNOR, TO THE CHAIRMAN AND MINORITY CHAIRMAN OF THE  
27 TRANSPORTATION COMMITTEE OF THE SENATE AND TO THE CHAIRMAN  
28 AND MINORITY CHAIRMAN OF THE TRANSPORTATION COMMITTEE OF THE  
29 HOUSE OF REPRESENTATIVES. THE DEPARTMENT'S REGULATIONS SHALL  
30 CONTAIN A DESCRIPTION OF THE IMPACT ON BOTH THE AMOUNT OF,

1 AND FUTURE ELIGIBILITY FOR, FINANCIAL ASSISTANCE UNDER THIS  
2 CHAPTER BASED UPON THE DEGREE TO WHICH THE LOCAL  
3 TRANSPORTATION ORGANIZATION COMPLIES WITH THE RECOMMENDATIONS  
4 IN THE REPORT. THE DEPARTMENT SHALL DEVELOP A LIST OF BEST  
5 PRACTICES REVEALED BY THE REPORTS ISSUED UNDER THIS  
6 SUBSECTION AND SHALL POST THEM ON THE DEPARTMENT'S INTERNET  
7 WEBSITE.

8 (F) PERFORMANCE CRITERIA.--CRITERIA USED FOR THE REVIEWS  
9 CONDUCTED UNDER SUBSECTION (E) SHALL CONSIST OF PASSENGERS PER  
10 REVENUE VEHICLE HOUR, OPERATING COSTS PER REVENUE VEHICLE HOUR,  
11 OPERATING REVENUE PER REVENUE VEHICLE HOUR, OPERATING COSTS PER  
12 PASSENGER AND OTHER ITEMS AS THE DEPARTMENT MAY ESTABLISH. THE  
13 DEPARTMENT'S REGULATIONS SHALL SET FORTH THE MINIMUM SYSTEM  
14 PERFORMANCE CRITERIA, BASED UPON COMPARISON OF THE AWARD  
15 RECIPIENT TO ITS PAST PERFORMANCE AND TO ITS PEERS, THAT AN  
16 AWARD RECIPIENT MUST SATISFY.

17 (G) FAILURE TO SATISFY MINIMUM PERFORMANCE CRITERIA.--

18 (1) IF A PERFORMANCE REVIEW CONDUCTED UNDER SUBSECTION  
19 (E) REVEALS THAT THE PERFORMANCE OF AN AWARD RECIPIENT'S  
20 TRANSPORTATION SYSTEM HAS DECREASED COMPARED TO PERFORMANCE  
21 DETERMINED THROUGH A PRIOR REVIEW, THE DEPARTMENT MAY, UPON  
22 THE WRITTEN REQUEST OF AN AWARD RECIPIENT, WAIVE ANY  
23 REQUIREMENT FOR A REDUCTION IN THE AMOUNT OF FINANCIAL  
24 ASSISTANCE TO BE AWARDED UNDER THIS SECTION FOR A REASONABLE  
25 TIME PERIOD TO ALLOW THE AWARD RECIPIENT TO BRING THE SYSTEM  
26 BACK TO THE REQUIRED PERFORMANCE LEVEL. THE AWARD RECIPIENT  
27 SHALL PROVIDE WRITTEN JUSTIFICATION FOR PROVIDING A TIME  
28 PERIOD LONGER THAN TWO YEARS. IN ORDER TO OBTAIN THE WAIVER  
29 FOR THE PERIOD REQUESTED, THE AWARD RECIPIENT MUST DO ALL OF  
30 THE FOLLOWING:

1           (I) DEVELOP AN ACTION PLAN TO IMPROVE SYSTEM  
2           PERFORMANCE THAT CONTAINS KEY MEASURABLE MILESTONES. THE  
3           ACTION PLAN MUST BE ACCEPTABLE TO THE DEPARTMENT AND MUST  
4           BE APPROVED BY THE DEPARTMENT IN WRITING.

5           (II) SUBMIT QUARTERLY PROGRESS REPORTS ON THE ACTION  
6           PLAN TO THE DEPARTMENT.

7           (2) THE DEPARTMENT SHALL REVIEW AND EVALUATE THE AWARD  
8           RECIPIENT'S PROGRESS TO DETERMINE IF THE SYSTEM HAS IMPROVED.  
9           IF THE SYSTEM HAS IMPROVED, THE AWARD RECIPIENT WILL REMAIN  
10          ELIGIBLE FOR FULL FORMULA FUNDING AS DETERMINED UNDER  
11          SUBSECTION (C). IF THE SYSTEM HAS NOT IMPROVED BY THE END OF  
12          THE WAIVER PERIOD, THE WAIVER WILL BE WITHDRAWN. EXPENSES  
13          INCURRED BY THE AWARD RECIPIENT AS A RESULT OF THE FAILURE OF  
14          THE AWARD RECIPIENT'S SYSTEM TO MEET THE MINIMUM PERFORMANCE  
15          CRITERIA SHALL BE BORNE BY THE AWARD RECIPIENT.

16          (H) ADJUSTMENTS TO MINIMUM PERFORMANCE CRITERIA.--UPON  
17          WRITTEN REQUEST OF AN AWARD RECIPIENT, THE DEPARTMENT MAY ADJUST  
18          THE MINIMUM PERFORMANCE CRITERIA DESCRIBED IN SUBSECTION (G) IN  
19          A GIVEN YEAR IF THE PERFORMANCE OF THE AWARD RECIPIENT'S SYSTEM  
20          IS ADVERSELY AFFECTED BY CIRCUMSTANCES WHICH ARE BEYOND THE  
21          AWARD RECIPIENT'S CONTROL. EXAMPLES ARE LABOR STRIKES,  
22          INFRASTRUCTURE FAILURES AND NATURAL DISASTERS. THE REQUEST MUST  
23          INCLUDE THE AWARD RECIPIENT'S REASONS FOR SEEKING THE  
24          ADJUSTMENT.

25          § 1514. ASSET IMPROVEMENT PROGRAM.

26          (A) ELIGIBLE APPLICANTS.--

27                  (1) THE FOLLOWING MAY APPLY FOR FINANCIAL ASSISTANCE FOR  
28                  IMPROVEMENT, REPLACEMENT OR EXPANSION OF CAPITAL PROJECTS  
29                  UNDER THIS SECTION:

30                          (I) A LOCAL TRANSPORTATION ORGANIZATION.



1           (II) AN AGENCY OR INSTRUMENTALITY OF THE  
2           COMMONWEALTH.

3           (III) A PERSON RESPONSIBLE FOR COORDINATING  
4           COMMUNITY TRANSPORTATION PROGRAM SERVICES.

5           (IV) ANY OTHER PERSON THE DEPARTMENT DEEMS TO BE  
6           ELIGIBLE.

7           (2) THE DEPARTMENT SHALL DEVELOP AND MAINTAIN FOUR-YEAR  
8           AND 12-YEAR PLANS THAT SUMMARIZE THE CAPITAL PROJECTS AND  
9           FINANCIAL ASSISTANCE COMMITMENTS FOR EACH APPLICANT. THE  
10          DEPARTMENT MAY ENTER INTO MULTIYEAR AGREEMENTS TO PROVIDE  
11          FINANCIAL ASSISTANCE FOR CAPITAL PROJECTS BASED UPON CASH  
12          FLOW AND REVENUE PROJECTIONS FOR THE FUND. EACH CAPITAL  
13          PROJECT SHALL BE BASED ON THE PLAN DEVELOPED BY THE  
14          DEPARTMENT.

15          (B) APPLICATIONS.--IN ADDITION TO INFORMATION REQUIRED UNDER  
16          SECTION 1507 (RELATING TO APPLICATION AND APPROVAL PROCESS), AN  
17          APPLICATION FOR FINANCIAL ASSISTANCE UNDER THIS SECTION SHALL  
18          INCLUDE THE FOLLOWING:

19           (1) EVIDENCE SATISFACTORY TO THE DEPARTMENT THAT THE  
20           PROPOSED CAPITAL PROJECT IS INCLUDED IN THE FIRST YEAR OF THE  
21           APPLICANT'S FOUR-YEAR CAPITAL PLAN AND ITS FEDERALLY APPROVED  
22           TRANSPORTATION IMPROVEMENT PROGRAM.

23           (2) IF AN APPLICANT IS REQUESTING FINANCIAL ASSISTANCE  
24           FOR REPLACEMENT OF A CAPITAL PROJECT, EVIDENCE SATISFACTORY  
25           TO THE DEPARTMENT THAT THE CAPITAL PROJECT TO BE REPLACED HAS  
26           EXCEEDED THE USEFUL LIFE CRITERIA AS DEFINED BY THE  
27           DEPARTMENT. AT ITS DISCRETION, THE DEPARTMENT MAY APPROVE  
28           FUNDING TO REPLACE A CAPITAL PROJECT THAT DOES NOT EXCEED THE  
29           USEFUL LIFE CRITERIA IF THE APPLICANT PROVIDES DOCUMENTATION  
30           ACCEPTABLE TO THE DEPARTMENT TO JUSTIFY THE EARLY REPLACEMENT

1 OF THE CAPITAL PROJECT.

2 (3) IF THE APPLICANT IS REQUESTING FINANCIAL ASSISTANCE  
3 FOR EXPANSION OF A CAPITAL PROJECT, EVIDENCE SATISFACTORY TO  
4 THE DEPARTMENT THAT THE APPLICANT WILL HAVE SUFFICIENT FUTURE  
5 ANNUAL OPERATING FUNDS TO SUPPORT THE PROPOSED EXPANSION.

6 (4) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT,  
7 INCLUDING A RETURN ON INVESTMENT ANALYSIS OR A LIFE CYCLE  
8 COST ANALYSIS, OR BOTH.

9 (C) LOCAL MATCH REQUIREMENTS.--FINANCIAL ASSISTANCE UNDER  
10 THIS SECTION SHALL BE MATCHED BY LOCAL OR PRIVATE CASH FUNDING  
11 IN AN AMOUNT NOT LESS THAN 3.33% OF THE AMOUNT OF THE FINANCIAL  
12 ASSISTANCE BEING PROVIDED. THE SOURCE OF FUNDS FOR THE LOCAL  
13 MATCH SHALL BE SUBJECT TO THE REQUIREMENTS OF SECTION 1513(D)  
14 (RELATING TO OPERATING PROGRAM).

15 (D) CONDITIONS FOR RECEIPT OF BOND FUNDING.--FINANCIAL  
16 ASSISTANCE THAT IS FUNDED BY PROCEEDS OF COMMONWEALTH CAPITAL  
17 BONDS MAY BE PROVIDED TO AN APPLICANT IF ALL OF THE FOLLOWING  
18 CONDITIONS ARE MET:

19 (1) THE APPLICANT'S CAPITAL PROJECT HAS BEEN AUTHORIZED  
20 BY A CAPITAL BUDGET PROJECT ITEMIZATION ACT.

21 (2) THE APPLICANT'S CAPITAL PROJECT WAS INCLUDED IN THE  
22 DEPARTMENT'S APPROVED ANNUAL RELEASE REQUEST APPROVING THE  
23 USE OF THE FUNDS FOR THE PROPOSED CAPITAL PROJECT IN THE  
24 FISCAL YEAR IN WHICH THE FUNDS ARE EXPECTED TO BE EXPENDED.

25 (3) THE DEPARTMENT HAS APPROVED THE UNDERLYING  
26 APPLICATION FOR THE CAPITAL PROJECT.

27 (4) THE CAPITAL PROJECT HAS A USEFUL LIFE OF 20 YEARS OR  
28 LONGER.

29 (E) PRIORITIES.--THE AWARD OF FINANCIAL ASSISTANCE UNDER  
30 THIS SECTION SHALL BE SUBJECT TO THE FOLLOWING SET OF PRIORITIES

1 IN DESCENDING ORDER OF SIGNIFICANCE UNLESS A COMPELLING RETURN  
2 ON INVESTMENT ANALYSIS FOR A PROJECT IN A LOWER CATEGORY IS  
3 PROVIDED TO AND APPROVED BY THE DEPARTMENT:

4 (1) REQUESTS FOR FUNDS REQUIRED TO SUPPORT EXISTING  
5 LOCAL BOND ISSUES CURRENTLY SUPPORTED WITH STATE REVENUE  
6 SOURCES, SUCH AS DEBT SERVICE AND ASSET LEASES. THE  
7 COMMONWEALTH PLEDGES TO AND AGREES WITH ANY PERSON, FIRM OR  
8 CORPORATION HOLDING ANY BONDS PREVIOUSLY ISSUED BY, OR ANY  
9 OTHER DEBT INCURRED BY, A LOCAL TRANSPORTATION ORGANIZATION,  
10 AND SECURED IN WHOLE OR PART BY A PLEDGE OF THE FUNDS  
11 PROVIDED TO THE LOCAL TRANSPORTATION ORGANIZATION FROM THE  
12 FUND THAT THE COMMONWEALTH WILL NOT LIMIT OR ALTER RIGHTS  
13 VESTED IN A LOCAL TRANSPORTATION ORGANIZATION IN ANY MANNER  
14 INCONSISTENT WITH OBLIGATIONS OF THE LOCAL TRANSPORTATION  
15 ORGANIZATION TO THE OBLIGEEES OF THE LOCAL TRANSPORTATION  
16 ORGANIZATION UNTIL ALL BONDS PREVIOUSLY ISSUED OR OTHER DEBT  
17 INCURRED, TOGETHER WITH THE INTEREST THEREON, IS FULLY PAID  
18 OR PROVIDED FOR.

19 (2) REQUESTS FOR FUNDS REQUIRED TO MATCH FEDERALLY  
20 APPROVED CAPITAL PROJECTS FUNDED UNDER 49 U.S.C. §§ 5307  
21 (RELATING TO URBANIZED AREA FORMULA GRANTS) AND 5309  
22 (RELATING TO CAPITAL INVESTMENT GRANTS AND LOANS) AND OTHER  
23 FEDERALLY APPROVED CAPITAL PROJECTS.

24 (3) OTHER NON-FEDERAL CAPITAL PROJECTS AS DETERMINED BY  
25 THE DEPARTMENT, WHICH SHALL BE FURTHER SUBJECT TO THE  
26 FOLLOWING SET OF PRIORITIES IN DESCENDING ORDER OF  
27 SIGNIFICANCE:

28 (I) ESSENTIAL EMERGENCY ASSET IMPROVEMENT PROJECTS.

29 (II) STANDARD REPLACEMENT OF EXISTING ASSETS THAT  
30 HAVE EXCEEDED THEIR USEFUL LIFE.

1           (III) ASSET IMPROVEMENT PROJECTS TO EXTEND THE  
2           USEFUL LIFE OF THE AFFECTED ASSETS.

3           (IV) ACQUISITION OF NEW ASSETS AND OTHER ACCEPTABLE  
4           PURPOSES, OTHER THAN PROJECTS TO BE FUNDED UNDER THE NEW  
5           INITIATIVES PROGRAM DESCRIBED IN SECTION 1515 (RELATING  
6           TO NEW INITIATIVES PROGRAM) AS DETERMINED BY THE  
7           DEPARTMENT.

8           (F) BONDING BY AWARD RECIPIENTS.--WITH THE APPROVAL OF THE  
9           DEPARTMENT, AN AWARD RECIPIENT THAT IS PERMITTED BY LAW TO ISSUE  
10          BONDS MAY DO SO FOR THE PURPOSE OF FINANCING A MULTIYEAR CAPITAL  
11          PROJECT. THE DEPARTMENT SHALL ENTER INTO AN AGREEMENT WITH THE  
12          AWARD RECIPIENT PROVIDING THAT PAYMENTS OF THE AWARDED FUNDS  
13          SUFFICIENT TO SATISFY REQUIREMENTS OF THE BONDS ISSUED BE MADE  
14          DIRECTLY TO THE TRUSTEE OF THE BOND HOLDERS UNTIL SUCH TIME AS  
15          THE BONDS ARE RETIRED.

16          § 1515. NEW INITIATIVES PROGRAM.

17          (A) ELIGIBLE APPLICANTS.--PERSONS ELIGIBLE TO APPLY FOR  
18          FINANCIAL ASSISTANCE UNDER SECTION 1514 (RELATING TO ASSET  
19          IMPROVEMENT PROGRAM) SHALL ALSO BE ELIGIBLE TO APPLY FOR  
20          FINANCIAL ASSISTANCE FOR NEW OR EXPANSIONS OF FIXED GUIDEWAY  
21          SYSTEMS UNDER THIS SECTION.

22          (B) APPLICATIONS.--IN ADDITION TO THE INFORMATION REQUIRED  
23          UNDER SECTION 1507 (RELATING TO APPLICATION AND APPROVAL  
24          PROCESS), AN APPLICATION FOR FINANCIAL ASSISTANCE UNDER THIS  
25          SECTION SHALL INCLUDE ALL OF THE INFORMATION REQUIRED IN AN  
26          APPLICATION FOR FINANCIAL ASSISTANCE UNDER SECTION 1514  
27          (RELATING TO ASSET IMPROVEMENT PROGRAM). IF THE APPLICATION IS  
28          FOR A PROPOSED EXPANSION OF A CAPITAL PROJECT, THE APPLICATION  
29          SHALL ALSO INCLUDE EVIDENCE SATISFACTORY TO THE DEPARTMENT THAT  
30          THE APPLICANT WILL HAVE SUFFICIENT FUTURE ANNUAL OPERATING FUNDS

1 TO SUPPORT THE PROPOSED EXPANSION.

2 (C) SOURCE OF FUNDS AND PRIORITIES.--

3 (1) SUMS ALLOCATED FOR THE ASSET IMPROVEMENT PROGRAM  
4 UNDER SECTION 1506(E)(2) (RELATING TO FUND), UP TO A MAXIMUM  
5 OF \$50,000,000 ANNUALLY, MAY BE USED BY THE DEPARTMENT TO  
6 PROVIDE FINANCIAL ASSISTANCE UNDER THIS SECTION.

7 (2) IN AWARDING FINANCIAL ASSISTANCE UNDER THIS SECTION,  
8 THE DEPARTMENT SHALL GIVE PRIORITY TO APPLICANTS THAT INTEND  
9 TO USE THE FUNDS TO SATISFY THE LOCAL MATCHING PORTION OF  
10 FEDERALLY APPROVED NEW STARTS PROJECTS FUNDED PURSUANT TO 49  
11 U.S.C. § 5309 (RELATING TO CAPITAL INVESTMENT GRANTS AND  
12 LOANS). THE DEPARTMENT MAY FUND PROJECTS THAT DO NOT RECEIVE  
13 FUNDING FROM THE FEDERAL NEW STARTS PROGRAM IF THE APPLICANT  
14 CAN PROVIDE SUFFICIENT EVIDENCE THAT THE PROJECT CAN MEET ALL  
15 OF THE FOLLOWING REQUIREMENTS:

16 (I) INVESTMENTS IN EXISTING SERVICE AREAS HAVE BEEN  
17 OPTIMIZED.

18 (II) AN ANALYSIS REVEALS A REASONABLE RETURN ON  
19 INVESTMENT.

20 (III) THE PUBLIC BENEFIT OF THE PROJECT HAS BEEN  
21 IDENTIFIED.

22 (IV) THERE EXISTS A LOCAL DEDICATED FUNDING COMMITMENT  
23 TO PAY ANY REQUIRED LOCAL MATCH FOR THE PROJECT AND ONGOING  
24 OPERATING COSTS.

25 (V) THERE EXISTS LOCAL TECHNICAL ABILITY AND CAPACITY TO  
26 MANAGE, CONSTRUCT AND OPERATE THE PROJECT.

27 (VI) THE PROJECT IS SUPPORTED BY THE ADOPTION OF AN  
28 INTEGRATED LAND USE PLAN BY LOCAL MUNICIPALITIES.

29 (D) LOCAL MATCH REQUIREMENT.--FINANCIAL ASSISTANCE UNDER  
30 THIS SECTION SHALL BE MATCHED BY LOCAL OR PRIVATE CASH FUNDING

1 IN AN AMOUNT NOT LESS THAN 3.33% OF THE AMOUNT OF THE FINANCIAL  
2 ASSISTANCE BEING PROVIDED.

3 § 1516. PROGRAMS OF STATEWIDE SIGNIFICANCE.

4 (A) GENERAL RULE.--MONEY IN THE FUND ALLOCATED FOR PROGRAMS  
5 OF STATEWIDE SIGNIFICANCE SHALL BE USED BY THE DEPARTMENT TO  
6 SUPPORT PUBLIC TRANSPORTATION PROGRAMS, ACTIVITIES AND SERVICES  
7 NOT OTHERWISE FULLY FUNDED THROUGH THE OPERATING PROGRAM,  
8 CAPITAL PROGRAM OR ASSET IMPROVEMENT PROGRAM. IN ADDITION TO ANY  
9 REQUIREMENTS CONTAINED IN THIS SECTION, APPLICATIONS MUST COMPLY  
10 WITH THE SECTION 1507 (RELATING TO APPLICATION AND APPROVAL  
11 PROCESS). PROGRAMS OF STATEWIDE SIGNIFICANCE SHALL INCLUDE:

12 (1) THE PERSONS WITH DISABILITIES PROGRAM.

13 (2) INTERCITY RAIL AND BUS SERVICES.

14 (3) COMMUNITY TRANSPORTATION CAPITAL AND SERVICE  
15 STABILIZATION.

16 (4) THE WELFARE TO WORK PROGRAM AND MATCHING FUNDS FOR  
17 FEDERAL PROGRAMS WITH SIMILAR INTENT.

18 (5) DEMONSTRATION AND RESEARCH PROJECTS.

19 (6) TECHNICAL ASSISTANCE.

20 (7) OTHER PROGRAMS AS DETERMINED BY THE DEPARTMENT.

21 (8) THE DEPARTMENT'S COSTS UNDER SECTION 1510(B)  
22 (RELATING TO PROGRAM OVERSIGHT AND ADMINISTRATION) AND  
23 SECTION 1518 (RELATING TO PROGRAM OVERSIGHT AND  
24 ADMINISTRATION).

25 (B) PERSONS WITH DISABILITIES.--THE DEPARTMENT SHALL  
26 ESTABLISH AND ADMINISTER A PROGRAM PROVIDING REDUCED FARES TO  
27 PERSONS WITH DISABILITIES ON COMMUNITY TRANSPORTATION SERVICES  
28 AND TO PROVIDE FINANCIAL ASSISTANCE FOR START-UP, ADMINISTRATIVE  
29 AND CAPITAL EXPENSES RELATED TO REDUCED FARES FOR PERSONS WITH  
30 DISABILITIES. ALL OF THE FOLLOWING SHALL APPLY:

1           (1) A COMMUNITY TRANSPORTATION SYSTEM OPERATING IN THE  
2 COMMONWEALTH OTHER THAN IN COUNTIES OF THE FIRST AND SECOND  
3 CLASS MAY APPLY FOR FINANCIAL ASSISTANCE UNDER THIS  
4 SUBSECTION.

5           (2) THE DEPARTMENT MAY AWARD FINANCIAL ASSISTANCE UNDER  
6 THIS SUBSECTION FOR PROGRAM START-UP AND FOR CONTINUING  
7 CAPITAL EXPENSES TO OFFSET ADMINISTRATIVE AND CAPITAL  
8 EXPENSES. FOR COMMUNITY TRANSPORTATION TRIPS MADE BY ELIGIBLE  
9 PERSONS WITH DISABILITIES, FINANCIAL ASSISTANCE MAY BE  
10 AWARDED TO AN ELIGIBLE COMMUNITY TRANSPORTATION SYSTEM TO  
11 REIMBURSE THE SYSTEM FOR UP TO 85% OF THE FARE ESTABLISHED  
12 FOR THE GENERAL PUBLIC FOR EACH TRIP WHICH IS OUTSIDE OF A  
13 FIXED-ROUTE AND PARATRANSIT SERVICE AREAS AND NOT ELIGIBLE  
14 FOR FUNDING FROM ANY OTHER PROGRAM OR FUNDING SOURCE. THE  
15 PERSON MAKING THE TRIP OR AN APPROVED THIRD-PARTY SPONSOR  
16 SHALL CONTRIBUTE THE GREATER OF 15% OF THE FARE ESTABLISHED  
17 FOR THE GENERAL PUBLIC OR THE AMERICANS WITH DISABILITIES ACT  
18 COMPLEMENTARY PARATRANSIT FARE.

19           (C) INTERCITY TRANSPORTATION.--THE DEPARTMENT IS AUTHORIZED  
20 TO PROVIDE FINANCIAL ASSISTANCE FOR AN EFFICIENT AND COORDINATED  
21 INTERCITY COMMON CARRIER SURFACE TRANSPORTATION PROGRAM,  
22 CONSISTING OF BOTH INTERCITY RAIL AND INTERCITY BUS  
23 TRANSPORTATION, WITH THE INTENT OF SUSTAINING STRONG INTERCITY  
24 CONNECTIONS. ALL OF THE FOLLOWING SHALL APPLY:

25           (1) AN INTERCITY PASSENGER RAIL SERVICE PROVIDER, A  
26 LOCAL TRANSPORTATION ORGANIZATION, AN AGENCY OR  
27 INSTRUMENTALITY OF THE COMMONWEALTH OR A TRANSPORTATION  
28 COMPANY THAT PROVIDES INTERCITY PUBLIC TRANSPORTATION SERVICE  
29 MAY APPLY FOR FINANCIAL ASSISTANCE UNDER THIS SUBSECTION. THE  
30 DEPARTMENT IS AUTHORIZED TO ENTER INTO JOINT SERVICE

1 AGREEMENTS WITH A RAILROAD COMPANY, ANY OTHER AGENCY OR  
2 INSTRUMENTALITY OF THE COMMONWEALTH, A FEDERAL AGENCY OR AN  
3 AGENCY OR INSTRUMENTALITY OF ANY OTHER JURISDICTION RELATING  
4 TO PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, SERVICES,  
5 RATES, FARES, CLASSIFICATIONS, DIVIDENDS, ALLOWANCES OR  
6 CHARGES, INCLUDING CHARGES BETWEEN INTERCITY RAIL PASSENGER  
7 SERVICE FACILITIES, OR RULES OR REGULATIONS PERTAINING  
8 THERE TO, FOR OR IN CONNECTION WITH OR INCIDENTAL TO  
9 TRANSPORTATION IN WHOLE OR IN PART UPON INTERCITY RAIL  
10 PASSENGER SERVICE FACILITIES.

11 (2) OPERATING ASSISTANCE AND CAPITAL ASSISTANCE MAY BE  
12 PROVIDED FOR INTERCITY BUS AND RAIL SERVICES AS DETERMINED BY  
13 THE DEPARTMENT.

14 (3) FOR FINANCIAL ASSISTANCE TO A TRANSPORTATION  
15 COMPANY, ELIGIBLE MATCHING FUNDS SHALL CONSIST ONLY OF CASH  
16 INCOME GENERATED BY THE TRANSPORTATION COMPANY FROM ITS  
17 ACTIVITIES, OTHER THAN THE PROVISION OF SUBSIDIZED PUBLIC  
18 PASSENGER TRANSPORTATION SERVICE, AND CONTRIBUTED BY THE  
19 TRANSPORTATION COMPANY IN THE AMOUNT AND FOR THE TIME PERIOD  
20 SPECIFIED IN THE FINANCIAL ASSISTANCE AGREEMENT.

21 (4) LOCAL MATCH REQUIREMENTS ARE AS FOLLOWS:

22 (I) FOR INTERCITY BUS OPERATING AND CAPITAL  
23 ASSISTANCE, FINANCIAL ASSISTANCE SHALL REQUIRE A LOCAL  
24 MATCH BY LOCAL OR PRIVATE CASH FUNDING IN AN AMOUNT EQUAL  
25 TO AT LEAST 100% OF THE AMOUNT OF THE FINANCIAL  
26 ASSISTANCE BEING PROVIDED.

27 (II) FOR INTERCITY RAIL OPERATING AND CAPITAL  
28 ASSISTANCE, FINANCIAL ASSISTANCE SHALL REQUIRE A LOCAL  
29 MATCH ON A CASE-BY-CASE BASIS, TAKING INTO ACCOUNT THE  
30 BEST INTERESTS OF THE COMMONWEALTH.



1           (5) FOR PURPOSES OF THIS SUBSECTION, "LOCAL MATCH" IS  
2 DEFINED AS LOCAL REVENUE OBTAINED FROM OTHER NONSUBSIDIZED  
3 SERVICES, SUCH AS CHARTER, SCHOOL BUS OR PROFITS REALIZED  
4 FROM OTHER INTERCITY BUS SERVICES. LOCAL MATCH SHALL NOT  
5 INCLUDE ANY FUNDS RECEIVED FROM FEDERAL OR STATE SOURCES.

6 (D) COMMUNITY TRANSPORTATION.--

7           (1) THE DEPARTMENT IS AUTHORIZED TO PROVIDE FINANCIAL  
8 ASSISTANCE UNDER THIS SECTION FOR ALL OF THE FOLLOWING:

9           (I) CAPITAL EXPENDITURES FOR THE PROVISION OF  
10 COMMUNITY TRANSPORTATION SERVICE; AND

11           (II) SERVICE STABILIZATION, INCLUDING:

12           (A) STABILIZING CURRENT SERVICE AND FARES.

13           (B) PROVIDING ADVICE OR TECHNICAL ASSISTANCE TO  
14 ANALYZE AND ENHANCE COMMUNITY TRANSPORTATION SYSTEM  
15 RESOURCES AND SERVICES.

16           (C) MAXIMIZING AVAILABLE FUNDING INCLUDING  
17 FEDERAL DOLLARS.

18           (D) ENSURING EQUITABLE COST SHARING.

19           (2) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, THE  
20 FOLLOWING MAY APPLY FOR FINANCIAL ASSISTANCE UNDER THIS  
21 SUBSECTION:

22           (I) THE GOVERNING BODY OF A COUNTY, OTHER THAN A  
23 COUNTY OF THE FIRST OR SECOND CLASS.

24           (II) A TRANSPORTATION COMPANY DESIGNATED BY THE  
25 GOVERNING BODY OF THE COUNTY AS THE COORDINATOR OF  
26 COMMUNITY TRANSPORTATION SERVICE.

27           (III) AN AGENCY OR INSTRUMENTALITY OF THE  
28 COMMONWEALTH

29           (2.1) EACH ELIGIBLE APPLICANT SHALL BE SUBJECT TO ALL OF  
30 THE FOLLOWING REQUIREMENTS:

1           (I) AN APPLICANT FOR FINANCIAL ASSISTANCE FOR  
2           CAPITAL EXPENDITURES FOR THE PROVISION OF PUBLIC  
3           COMMUNITY TRANSPORTATION SERVICE SHALL CERTIFY TO THE  
4           DEPARTMENT THAT IT HAS TAKEN ALL REASONABLE STEPS TO  
5           COORDINATE LOCAL SERVICE FOR THE ELDERLY AND PERSONS WITH  
6           DISABILITIES AND THAT THE SERVICES TO BE OFFERED WITH THE  
7           CAPITAL ASSETS DO NOT DUPLICATE EXISTING FIXED-ROUTE  
8           SERVICES.

9           (II) THE GOVERNING BODY OF A COUNTY OR THE  
10          COORDINATOR DESCRIBED UNDER THIS PARAGRAPH SHALL NOT BE  
11          ELIGIBLE FOR FINANCIAL ASSISTANCE FOR SERVICE  
12          STABILIZATION IF ANY OF THE FOLLOWING APPLY:

13                   (A) THE COORDINATOR RECEIVES FINANCIAL  
14                   ASSISTANCE UNDER THE OPERATING PROGRAM ESTABLISHED  
15                   UNDER THIS CHAPTER.

16                   (B) THE COORDINATOR IS A PRIVATE FOR-PROFIT  
17                   PROVIDER.

18          (3) FINANCIAL ASSISTANCE FOR SERVICE STABILIZATION MAY  
19          ONLY BE PROVIDED FOR THE FOLLOWING PURPOSES:

20                   (I) SHORT-TERM, LONG-TERM AND STRATEGIC PLANNING.

21                   (II) TECHNOLOGY INVESTMENT.

22                   (III) TRAINING PROGRAMS DESIGNED TO ENHANCE  
23                   TRANSPORTATION MANAGEMENT AND STAFF EXPERTISE.

24                   (IV) OFFSETTING OPERATING EXPENSES THAT CANNOT BE  
25                   COVERED BY FARE REVENUE DUE TO EMERGENCIES.

26                   (V) MARKETING ACTIVITIES.

27                   (VI) OTHER STABILIZATION PURPOSES APPROVED BY THE  
28                   DEPARTMENT.

29          (4) THE DEPARTMENT SHALL GIVE HIGH PRIORITY TO PROVIDING  
30          FINANCIAL ASSISTANCE UNDER THIS SUBSECTION AS MATCH FOR

1 FEDERAL FUNDING TO SUPPORT CAPITAL PROJECTS FOR COMMUNITY  
2 TRANSPORTATION SYSTEMS.

3 (5) THE DEPARTMENT SHALL CONDUCT A STUDY TO EVALUATE THE  
4 EFFECTIVENESS AND EFFICIENCY OF COMMUNITY TRANSPORTATION  
5 SERVICE DELIVERY AS IT RELATES TO HUMAN SERVICE PROGRAMS. THE  
6 DEPARTMENT OF PUBLIC WELFARE, THE OFFICE OF THE BUDGET AND  
7 THE DEPARTMENT OF AGING AND OTHER APPROPRIATE COMMONWEALTH  
8 AGENCIES IDENTIFIED BY THE DEPARTMENT SHALL PARTICIPATE IN  
9 THE STUDY. WITHIN TWO YEARS FOLLOWING THE EFFECTIVE DATE OF  
10 THIS SECTION, THESE AGENCIES SHALL MAKE RECOMMENDATIONS TO  
11 THE GOVERNOR AND THE MAJORITY AND MINORITY CHAIRPERSONS OF  
12 THE TRANSPORTATION COMMITTEE OF THE SENATE AND THE MAJORITY  
13 AND MINORITY CHAIRPERSONS OF THE TRANSPORTATION COMMITTEE OF  
14 THE HOUSE OF REPRESENTATIVES FOR IMPROVING COORDINATION AND  
15 EFFICIENCY OF HUMAN SERVICES AND COMMUNITY TRANSPORTATION.

16 (D.1) WELFARE-TO-WORK AND FEDERAL PROGRAMS MATCH.--THE  
17 DEPARTMENT IS AUTHORIZED TO PROVIDE FINANCIAL ASSISTANCE UNDER  
18 THIS SECTION TO DESIGN AND IMPLEMENT PROJECTS AND SERVICES AND  
19 TO REIMBURSE AWARD RECIPIENTS FOR THE EXPENSES ASSOCIATED WITH  
20 THE PROJECTS AND SERVICES THAT IDENTIFY AND ADDRESS PUBLIC  
21 PASSENGER TRANSPORTATION AND RELATED BARRIERS PREVENTING  
22 INDIVIDUALS ELIGIBLE FOR PARTICIPATION IN THE FEDERAL WELFARE-  
23 TO-WORK PROGRAM FROM SECURING AND MAINTAINING EMPLOYMENT AND  
24 FROM ACCESSING COMMUNITY SERVICES AND FACILITIES. ALL OF THE  
25 FOLLOWING SHALL APPLY:

26 (1) A LOCAL TRANSPORTATION ORGANIZATION, A  
27 TRANSPORTATION COMPANY DESIGNATED BY A COUNTY AS THE  
28 COORDINATOR OF COMMUNITY TRANSPORTATION SERVICES OR ANY OTHER  
29 PERSON APPROVED BY THE DEPARTMENT MAY APPLY TO THE DEPARTMENT  
30 FOR FINANCIAL ASSISTANCE UNDER THIS SUBSECTION.

1           (2) FINANCIAL ASSISTANCE AWARDED UNDER THIS SUBSECTION  
2 SHALL BE USED FOR ANY OF THE FOLLOWING PURPOSES:

3           (I) FIXED-ROUTE SERVICE SUBSIDY.

4           (II) CONTRACTED TRANSPORTATION SERVICES.

5           (III) FIXED-ROUTE FARE DISCOUNTS.

6           (IV) COMMUNITY TRANSPORTATION FARE DISCOUNTS.

7           (V) TAXI FARE DISCOUNTS.

8           (VI) MILEAGE REIMBURSEMENT.

9           (VII) VEHICLE PURCHASE, INSURANCE, MAINTENANCE AND  
10 REPAIR.

11           (VIII) DRIVER EDUCATION CLASSES.

12           (IX) ADMINISTRATIVE EXPENSES.

13           (X) CASE MANAGEMENT EXPENSES.

14           (XI) ANY OTHER ACTIVITIES CONSISTENT WITH THE  
15 TRANSPORTATION RELATED ELEMENTS OF THE WELFARE-TO-WORK  
16 PROGRAM.

17           (3) THE DEPARTMENT SHALL GIVE HIGH PRIORITY TO PROVIDING  
18 FINANCIAL ASSISTANCE UNDER THIS SUBSECTION AS MATCH FOR  
19 FEDERAL FUNDING TO SUPPORT PROJECTS WITH SIMILAR PURPOSES AND  
20 ELIGIBLE USES, INCLUDING THE FEDERAL JOB ACCESS REVERSE  
21 COMMUTE AND NEW FREEDOMS PROGRAMS.

22           (E) TECHNICAL ASSISTANCE AND DEMONSTRATION.--THE DEPARTMENT  
23 IS AUTHORIZED TO PROVIDE FINANCIAL ASSISTANCE UNDER THIS SECTION  
24 FOR TECHNICAL ASSISTANCE, RESEARCH AND SHORT-TERM DEMONSTRATION  
25 PROJECTS. ALL OF THE FOLLOWING SHALL APPLY:

26           (1) A LOCAL TRANSPORTATION ORGANIZATION OR AN AGENCY OR  
27 INSTRUMENTALITY OF THE COMMONWEALTH MAY APPLY TO THE  
28 DEPARTMENT FOR FINANCIAL ASSISTANCE UNDER THIS SUBSECTION.

29           (2) FINANCIAL ASSISTANCE PROVIDED UNDER THIS SUBSECTION  
30 MAY BE USED FOR REIMBURSEMENT FOR ANY APPROVED OPERATING OR

1 CAPITAL COSTS RELATED TO TECHNICAL ASSISTANCE AND  
2 DEMONSTRATION PROGRAM PROJECTS. FINANCIAL ASSISTANCE FOR  
3 SHORT-TERM DEMONSTRATION PROJECTS MAY BE PROVIDED AT THE  
4 DEPARTMENT'S DISCRETION ON AN ANNUAL BASIS BASED ON THE LEVEL  
5 OF FINANCIAL COMMITMENT PROVIDED BY THE AWARD RECIPIENT TO  
6 PROVIDE ONGOING FUTURE FUNDING FOR THE PROJECT AS SOON AS THE  
7 PROJECT MEETS THE CRITERIA ESTABLISHED BY THE DEPARTMENT AND  
8 THE AWARD RECIPIENT. FINANCIAL ASSISTANCE FOR THIS PURPOSE  
9 SHALL NOT BE PROVIDED FOR MORE THAN THREE FISCAL YEARS.  
10 FINANCIAL ASSISTANCE MAY BE PROVIDED TO MEET ANY SHORT-TERM  
11 EMERGENCY NEED THAT REQUIRES IMMEDIATE ATTENTION AND CANNOT  
12 BE FUNDED THROUGH OTHER SOURCES.

13 (3) FINANCIAL ASSISTANCE UNDER THIS SUBSECTION PROVIDED  
14 TO A LOCAL TRANSPORTATION ORGANIZATION SHALL BE MATCHED BY  
15 LOCAL OR PRIVATE CASH FUNDING IN AN AMOUNT NOT LESS THAN  
16 3.33% OF THE AMOUNT OF THE FINANCIAL ASSISTANCE BEING  
17 PROVIDED. THE SOURCES OF FUNDS FOR THE LOCAL MATCH SHALL BE  
18 SUBJECT TO THE REQUIREMENTS OF SECTION 1513(D) (RELATING TO  
19 OPERATING PROGRAM).

20 § 1517. CAPITAL IMPROVEMENTS PROGRAM.

21 (A) ELIGIBILITY.--A LOCAL TRANSPORTATION ORGANIZATION MAY  
22 APPLY FOR FINANCIAL ASSISTANCE UNDER THIS SECTION.

23 (B) APPLICATIONS.--THE DEPARTMENT SHALL ESTABLISH THE  
24 CONTENTS OF THE APPLICATION FOR THE PROGRAM ESTABLISHED UNDER  
25 THIS SECTION. THE INFORMATION SHALL BE IN ADDITION TO  
26 INFORMATION REQUIRED UNDER SECTION 1507 (RELATING TO APPLICATION  
27 AND APPROVAL PROCESS).

28 (C) DISTRIBUTION FORMULA.--THE DEPARTMENT SHALL AWARD  
29 FINANCIAL ASSISTANCE UNDER THIS PROGRAM BASED ON THE NUMBER OF  
30 PASSENGERS. THE ACTUAL AMOUNT AWARDED TO A LOCAL TRANSPORTATION

1 ORGANIZATION UNDER THIS SUBSECTION SHALL BE CALCULATED AS  
2 FOLLOWS:

3 (1) MULTIPLY THE LOCAL TRANSPORTATION ORGANIZATION'S  
4 PASSENGERS BY THE TOTAL AMOUNT OF FUNDING AVAILABLE UNDER  
5 THIS SECTION.

6 (2) DIVIDE THE PRODUCT UNDER PARAGRAPH (1) BY THE SUM OF  
7 THE PASSENGERS FOR ALL QUALIFYING LOCAL TRANSPORTATION  
8 ORGANIZATIONS.

9 (D) PAYMENTS.--FINANCIAL ASSISTANCE UNDER THIS SECTION SHALL  
10 BE PAID TO LOCAL TRANSPORTATION ORGANIZATIONS AT LEAST  
11 QUARTERLY.

12 (E) REDUCTION IN FINANCIAL ASSISTANCE.--LOCAL TRANSPORTATION  
13 ORGANIZATIONS RECEIVING FINANCIAL ASSISTANCE UNDER THIS SECTION  
14 SHALL HAVE THEIR FINANCIAL ASSISTANCE FROM THIS PROGRAM REDUCED  
15 BY AN AMOUNT EQUAL TO ANY FINANCIAL ASSISTANCE RECEIVED  
16 PREVIOUSLY UNDER THIS PROGRAM WHICH HAS NOT BEEN SPENT OR  
17 COMMITTED IN A CONTRACT WITHIN THREE YEARS OF ITS RECEIPT.

18 § 1518. PROGRAM OVERSIGHT AND ADMINISTRATION.

19 THE DEPARTMENT IS AUTHORIZED TO USE AVAILABLE MONEY IN THE  
20 FUND TO COVER THE COSTS INCURRED BY THE DEPARTMENT IN  
21 ADMINISTERING ALL OF ITS PUBLIC PASSENGER TRANSPORTATION FUNDING  
22 PROGRAMS, INCLUDING THOSE ESTABLISHED UNDER THIS CHAPTER, AND  
23 INCURRED IN THE CARRYING OUT OF ITS RESPONSIBILITIES WITH  
24 RESPECT TO THE PROGRAMS.

25 § 1519. RETROACTIVE AUTHORITY.

26 (A) DATE OF PROJECT.--FINANCIAL ASSISTANCE MAY BE AWARDED  
27 UNDER THIS CHAPTER BY THE DEPARTMENT WITH REFERENCE TO AN  
28 APPROPRIATE PROJECT IRRESPECTIVE OF WHEN IT WAS FIRST COMMENCED  
29 OR CONSIDERED AND REGARDLESS OF WHETHER COSTS WITH RESPECT TO  
30 THE PROJECT WERE INCURRED PRIOR TO THE TIME THE FINANCIAL

1 ASSISTANCE IS APPLIED FOR OR PROVIDED.

2 (B) CAPITAL PROJECTS.--

3 (1) FOR CAPITAL PROJECTS, THE APPLICANT MUST OBTAIN  
4 WRITTEN APPROVAL FROM THE DEPARTMENT PRIOR TO INCURRING ANY  
5 EXPENSES FOR WHICH THE APPLICANT MAY LATER SEEK  
6 REIMBURSEMENT.

7 (2) NOTWITHSTANDING PARAGRAPH (1), APPROVAL BY THE  
8 DEPARTMENT SHALL NOT CONSTITUTE AN APPROVAL OF THE  
9 APPLICANT'S UNDERLYING REQUEST FOR FINANCIAL ASSISTANCE.

10 (3) BY PROVIDING PREAPPROVAL UNDER THIS SUBSECTION, THE  
11 DEPARTMENT MAY RECOGNIZE ANY LOCAL FUNDS ALREADY EXPENDED AS  
12 SATISFYING THE LOCAL MATCH REQUIREMENT IF AND WHEN THE  
13 APPLICANT'S APPLICATION IS APPROVED.

14 SECTION 4. TITLE 74 IS AMENDED BY ADDING CHAPTERS TO READ:

15 CHAPTER 81

16 TURNPIKE

17 SEC.

18 8101. SCOPE OF CHAPTER.

19 8102. DEFINITIONS.

20 8103. (RESERVED).

21 8104. STATUS OF TURNPIKE REVENUE BONDS, NOTES OR OTHER  
22 OBLIGATIONS.

23 8105. COMMISSION.

24 8106. EXERCISE OF COMMISSION POWERS.

25 8107. COMMISSION POWERS AND DUTIES.

26 8108. EXPENSES AND BONDING OF COMMISSION MEMBERS.

27 8109. ACQUISITION OF PROPERTY RIGHTS BY COMMISSION.

28 8110. PROCEDURAL REQUIREMENTS OF ACQUISITION.

29 8111. ENTRY AND POSSESSION OF PROPERTY CONDEMNED.

30 8112. ISSUANCE OF TURNPIKE REVENUE BONDS OR OTHER

1           OBLIGATIONS.

2   8113. OBLIGATION PROCEEDS RESTRICTED AND LIEN CREATED.

3   8114. TRUST INDENTURE AUTHORIZED.

4   8115. COMMISSION AND OBLIGATIONS TAX EXEMPT.

5   8116. COLLECTION AND DISPOSITION OF TOLLS AND OTHER REVENUE.

6   8117. ELECTRONIC TOLL COLLECTION.

7   8118. REFUNDING BONDS.

8   8119. RIGHTS OF OBLIGATION HOLDERS AND TRUSTEES.

9   8120. AUTHORITY GRANTED TO SECRETARY.

10   8121. (RESERVED).

11   8122. (RESERVED).

12   8123. CONSTRUCTION OF CHAPTER.

13   § 8101. SCOPE OF CHAPTER.

14       THIS CHAPTER RELATES TO TURNPIKE ORGANIZATION, EXTENSION AND  
15 TOLL ROAD CONVERSION.

16   § 8102. DEFINITIONS.

17       THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER  
18 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
19 CONTEXT CLEARLY INDICATES OTHERWISE:

20       "COMMISSION." THE PENNSYLVANIA TURNPIKE COMMISSION.

21       "COST OF THE DEPARTMENT." THE TERM INCLUDES THE COSTS OF ALL  
22 OF THE FOLLOWING:

23           (1) CONSTRUCTING, RECONSTRUCTING, WIDENING, EXPANDING OR  
24 EXTENDING THE STATE HIGHWAY AND RURAL STATE HIGHWAY SYSTEM  
25 AND CONNECTING ROADS, TUNNELS AND BRIDGES.

26           (2) SYSTEMS OF PUBLIC PASSENGER TRANSPORTATION OR  
27 PORTIONS OF THE SYSTEMS.

28           (3) LANDS, PROPERTY RIGHTS, RIGHTS-OF-WAY, EASEMENTS AND  
29 FRANCHISES ACQUIRED, WHICH ARE DEEMED NECESSARY OR CONVENIENT  
30 FOR THE CONSTRUCTION, RECONSTRUCTION, WIDENING, EXPANDING OR



1 EXTENDING UNDER PARAGRAPH (1) OR (2).

2 (4) MACHINERY AND EQUIPMENT, FINANCING CHARGES, INTEREST  
3 PRIOR TO AND DURING CONSTRUCTION AND FOR ONE YEAR AFTER  
4 COMPLETION OF CONSTRUCTION.

5 (5) ANY OF THE FOLLOWING:

6 (I) TRAFFIC ESTIMATES AND OF ENGINEERING AND LEGAL  
7 EXPENSES, PLANS, SPECIFICATIONS, SURVEYS, ESTIMATES OF  
8 COST AND OF REVENUES.

9 (II) OTHER EXPENSES NECESSARY OR INCIDENT TO  
10 DETERMINING THE FEASIBILITY OR PRACTICABILITY OF THE  
11 ENTERPRISE. THIS SUBPARAGRAPH INCLUDES ADMINISTRATIVE AND  
12 LEGAL EXPENSES.

13 (III) OTHER EXPENSES AS MAY BE NECESSARY OR INCIDENT  
14 TO THE FINANCING AUTHORIZED UNDER THIS CHAPTER, THE  
15 CONSTRUCTION, RECONSTRUCTION, WIDENING, EXPANDING OR  
16 EXTENDING OF THE STATE HIGHWAY AND THE RURAL STATE  
17 HIGHWAY SYSTEM AND CONNECTING ROADS, TUNNELS AND BRIDGES.

18 (IV) THE COSTS OF SYSTEMS OF PUBLIC PASSENGER  
19 TRANSPORTATION OR PORTIONS OF THE SYSTEMS AND THE PLACING  
20 OF THE SYSTEMS IN OPERATION AND THE CONDEMNATION OF  
21 PROPERTY NECESSARY FOR CONSTRUCTION AND OPERATION.

22 (6) ANY OBLIGATION OR EXPENSE CONTRACTED FOR BY THE  
23 DEPARTMENT OR WITH THE UNITED STATES OR AN AGENCY OF THE  
24 UNITED STATES, FOR TRAFFIC SURVEYS, PREPARATION OF PLANS AND  
25 SPECIFICATIONS, SUPERVISION OF CONSTRUCTION AND OTHER  
26 ENGINEERING, ADMINISTRATIVE AND LEGAL SERVICES AND EXPENSES  
27 IN CONNECTION WITH THE CONSTRUCTION, RECONSTRUCTION,  
28 WIDENING, EXPANDING OR EXTENDING OF THE STATE HIGHWAY AND  
29 RURAL STATE HIGHWAY SYSTEM OR ANY OF THE CONNECTING ROADS,  
30 TUNNELS AND BRIDGES OR THE COSTS OF THE SYSTEMS OF PUBLIC

1 PASSENGER TRANSPORTATION OR PORTIONS OF THE SYSTEMS.

2 (7) PAYMENT OF ANY NOTES OR OTHER OBLIGATIONS IF THE  
3 NOTES OR OTHER OBLIGATIONS WERE ISSUED FOR THE PAYMENT OF A  
4 COST OF THE DEPARTMENT.

5 "COST OF THE TURNPIKES." THE TERM INCLUDES THE COST OF:

6 (1) CONSTRUCTING, RECONSTRUCTING, WIDENING, EXPANDING OR  
7 EXTENDING TURNPIKES, CONNECTING ROADS, STORM WATER MANAGEMENT  
8 SYSTEMS, INTERCHANGES, SLIP RAMPS, TUNNELS AND BRIDGES.

9 (2) LANDS, PROPERTY RIGHTS, RIGHTS-OF-WAY, EASEMENTS AND  
10 FRANCHISES ACQUIRED BY PURCHASE OR OTHER MEANS DEEMED  
11 NECESSARY OR CONVENIENT FOR CONSTRUCTION.

12 (3) MACHINERY AND EQUIPMENT, FINANCING CHARGES AND  
13 INTEREST.

14 (4) TRAFFIC ESTIMATES, ENGINEERING AND LEGAL EXPENSES,  
15 PLANS, SPECIFICATIONS, SURVEYS, COST AND REVENUE ESTIMATES,  
16 OTHER EXPENSES NECESSARY OR INCIDENT TO DETERMINING THE  
17 FEASIBILITY OR PRACTICABILITY OF THE ENTERPRISE,  
18 ADMINISTRATIVE AND LEGAL EXPENSE AND OTHER EXPENSES AS MAY BE  
19 NECESSARY OR INCIDENT TO THE FINANCING AUTHORIZED IN THIS  
20 CHAPTER.

21 (5) CONDEMNATION OR OTHER MEANS OF ACQUISITION OF  
22 PROPERTY NECESSARY FOR THE CONSTRUCTION AND OPERATION OF THE  
23 TURNPIKES.

24 (6) AN OBLIGATION OR EXPENSE CONTRACTED FOR BY THE  
25 COMMISSION WITH THE DEPARTMENT OR WITH THE UNITED STATES OR A  
26 FEDERAL AGENCY FOR ANY OF THE FOLLOWING:

27 (I) TRAFFIC SURVEYS, PREPARATION OF PLANS AND  
28 SPECIFICATIONS, SUPERVISION OF CONSTRUCTION AND OTHER  
29 ENGINEERING AND ADMINISTRATIVE AND LEGAL SERVICES AND  
30 EXPENSES IN CONNECTION WITH THE CONSTRUCTION,

1 RECONSTRUCTION, WIDENING, EXPANSION OR EXTENSION OF THE  
2 TURNPIKE OR ANY OF THE CONNECTING ROADS, STORM WATER  
3 MANAGEMENT SYSTEMS, INTERCHANGES, SLIP RAMPS, TUNNELS AND  
4 BRIDGES.

5 (II) COSTS OF REIMBURSING THE FEDERAL GOVERNMENT  
6 PURSUANT TO THE MANDATES OF THE FEDERAL LAW FOR FEDERAL  
7 FUNDS EXPENDED FOR INTERSTATE OR OTHER HIGHWAYS WHICH ARE  
8 TO BE MADE PART OF THE TURNPIKE SYSTEM PURSUANT TO THIS  
9 CHAPTER.

10 "DEPARTMENT." THE DEPARTMENT OF TRANSPORTATION OF THE  
11 COMMONWEALTH.

12 "ELECTRONIC TOLL COLLECTION." A SYSTEM OF COLLECTING TOLLS  
13 OR CHARGES THAT IS CAPABLE OF CHARGING AN ACCOUNT HOLDER FOR THE  
14 PRESCRIBED TOLL BY ELECTRONIC TRANSMISSION OF INFORMATION  
15 BETWEEN A DEVICE ON A VEHICLE AND A DEVICE IN A TOLL LANE AT A  
16 TOLL COLLECTION FACILITY.

17 "LESSEE." A PERSON, CORPORATION, FIRM, PARTNERSHIP, AGENCY,  
18 ASSOCIATION OR ORGANIZATION THAT RENTS, LEASES OR CONTRACTS FOR  
19 THE USE OF A VEHICLE AND HAS EXCLUSIVE USE OF THE VEHICLE FOR  
20 ANY PERIOD OF TIME.

21 "LESSOR." A PERSON, CORPORATION, FIRM, PARTNERSHIP, AGENCY,  
22 ASSOCIATION OR ORGANIZATION ENGAGED IN THE BUSINESS OF RENTING  
23 OR LEASING VEHICLES TO ANY LESSEE UNDER A RENTAL AGREEMENT,  
24 LEASE OR OTHER AGREEMENT UNDER WHICH THE LESSEE HAS THE  
25 EXCLUSIVE USE OF THE VEHICLE FOR ANY PERIOD OF TIME.

26 "OPERATOR." AN INDIVIDUAL THAT USES OR OPERATES A VEHICLE  
27 WITH OR WITHOUT PERMISSION OF THE OWNER.

28 "OWNER." EXCEPT AS PROVIDED UNDER SECTION 8116.1(E)  
29 (RELATING TO ELECTRONIC TOLL COLLECTION), AN INDIVIDUAL,  
30 COPARTNERSHIP, ASSOCIATION OR CORPORATION HAVING TITLE OR

1 INTEREST IN A PROPERTY RIGHT, EASEMENT OR FRANCHISE AUTHORIZED  
2 TO BE ACQUIRED UNDER THIS CHAPTER.

3 "PUBLIC PASSENGER TRANSPORTATION." TRANSPORTATION WITHIN AN  
4 AREA THAT INCLUDES A MUNICIPALITY OR OTHER BUILT UP PLACE THAT  
5 IS APPROPRIATE IN THE JUDGMENT OF THE DEPARTMENT OF  
6 TRANSPORTATION TO SERVE COMMUTERS OR OTHERS IN THE LOCALITY  
7 TAKING INTO CONSIDERATION THE LOCAL PATTERNS AND TRENDS OF  
8 GROWTH BY BUS OR RAIL OR OTHER CONVEYANCE, EITHER PUBLICLY OR  
9 PRIVATELY OWNED, SERVING THE GENERAL PUBLIC. THE TERM DOES NOT  
10 INCLUDE SCHOOL BUSES, CHARTER OR SIGHTSEEING SERVICES.

11 "RURAL STATE HIGHWAY SYSTEM." ALL ROADS AND HIGHWAYS TAKEN  
12 OVER BY THE COMMONWEALTH AS STATE HIGHWAYS UNDER THE PROVISIONS  
13 OF THE ACT OF JUNE 22, 1931 (P.L.594, NO.203), REFERRED TO AS  
14 THE TOWNSHIP STATE HIGHWAY LAW, AND ALL OTHER ROADS AND HIGHWAYS  
15 SPECIFICALLY DESIGNATED BY THE SECRETARY OF THE COMMONWEALTH AS  
16 RURAL STATE HIGHWAYS.

17 "SECRETARY." THE SECRETARY OF TRANSPORTATION OF THE  
18 COMMONWEALTH.

19 "STATE HIGHWAY." ALL ROADS AND HIGHWAYS TAKEN OVER BY THE  
20 COMMONWEALTH AS STATE HIGHWAYS UNDER THE PROVISIONS OF ANY  
21 STATUTE OTHER THAN THE ACT OF JUNE 22, 1931 (P.L.594, NO.203),  
22 REFERRED TO AS THE TOWNSHIP STATE HIGHWAY LAW. UNLESS CLEARLY  
23 INTENDED, THE TERM SHALL NOT INCLUDE ANY STREET IN ANY CITY,  
24 BOROUGH OR INCORPORATED TOWN, EVEN THOUGH THE STREET MAY HAVE  
25 BEEN TAKEN OVER AS A STATE HIGHWAY.

26 "SYSTEM OF PUBLIC PASSENGER TRANSPORTATION." A SYSTEM OF  
27 PUBLIC PASSENGER TRANSPORTATION, INCLUDING RAIL TRANSPORTATION  
28 FACILITIES USED FOR PUBLIC PASSENGER TRANSPORTATION, WHICH MAY  
29 INCLUDE THE ANY OF FOLLOWING:

30 (1) RAILWAY, STREET RAILWAY, SUBWAY, ELEVATED AND

1 MONORAIL PASSENGER OR PASSENGER AND RAIL ROLLING STOCK,  
2 INCLUDING SELF-PROPELLED AND GALLERY CARS, LOCOMOTIVES,  
3 PASSENGER BUSES AND WIRES, POLES AND EQUIPMENT FOR THE  
4 ELECTRIFICATION OF ANY OF THE RAILS, TRACKS AND ROADBEDS,  
5 GUIDEWAYS, ELEVATED STRUCTURES, BUILDINGS, STATIONS,  
6 TERMINALS, DOCKS, SHELTERS AND PARKING AREAS FOR USE IN  
7 CONNECTION WITH THE RAIL TRANSPORTATION SYSTEMS,  
8 INTERCONNECTING LINES AND TUNNELS TO PROVIDE PASSENGER OR  
9 PASSENGER AND RAIL SERVICE CONNECTIONS BETWEEN TRANSPORTATION  
10 SYSTEMS, TRANSPORTATION ROUTES, CORRIDORS AND RIGHTS-OF-WAY  
11 THEREFOR, BUT NOT FOR PUBLIC HIGHWAYS.

12 (2) SIGNAL AND COMMUNICATION SYSTEMS NECESSARY OR  
13 DESIRABLE FOR THE CONSTRUCTION, OPERATION OR IMPROVEMENT OF A  
14 PUBLIC PASSENGER TRANSPORTATION SYSTEM.

15 (3) ANY IMPROVEMENT OR OVERHAUL OF ANY VEHICLE EQUIPMENT  
16 OR FURNISHINGS OF ANY OF THE ITEMS SPECIFIED UNDER PARAGRAPHS  
17 (1) AND (2) OR ANY PART OR FRACTIONAL AND UNDIVIDED CO-  
18 OWNERSHIP OR LEASEHOLD INTEREST IN ANY ONE OR COMBINATION OF  
19 ANY OF THE ITEMS SPECIFIED UNDER PARAGRAPHS (1) AND (2) THAT  
20 MAY BE DESIGNATED AS A SYSTEM OF PUBLIC PASSENGER  
21 TRANSPORTATION BY THE SECRETARY OF TRANSPORTATION.

22 "TOLL ROAD CONVERSION." THE INCLUSION WITHIN THE TURNPIKE  
23 SYSTEM AND THE IMPOSITION OF TOLLS ON THE SYSTEM OF A HIGHWAY  
24 THAT IS PRESENTLY TOLL FREE.

25 "TURNPIKES." ANY OF THE FOLLOWING:

26 (1) THE TURNPIKE, TURNPIKE EXTENSIONS AND TURNPIKE  
27 IMPROVEMENTS.

28 (2) TOLL-FREE ROADS CONVERTED OR TO BE CONVERTED TO TOLL  
29 ROADS UNDER THIS CHAPTER.

30 (3) RELATED STORM WATER MANAGEMENT SYSTEMS,

1 INTERCHANGES, SLIP RAMPS, TUNNELS AND BRIDGES, PROPERTY  
2 RIGHTS, EASEMENTS AND FRANCHISES DEEMED NECESSARY OR  
3 CONVENIENT FOR THE CONSTRUCTION, RECONSTRUCTION, WIDENING,  
4 EXPANSION, EXTENSION OR THE OPERATION OF THE TURNPIKE,  
5 TURNPIKE EXTENSION, TURNPIKE IMPROVEMENT AND TOLL-FREE ROADS.  
6 "VEHICLE." THE TERM AS IT IS DEFINED UNDER 75 PA.C.S. § 102  
7 (RELATING TO DEFINITIONS).

8 "VIOLATION ENFORCEMENT SYSTEM." A VEHICLE SENSOR, PLACED IN  
9 A LOCATION TO WORK IN CONJUNCTION WITH A TOLL COLLECTION  
10 FACILITY, WHICH AUTOMATICALLY PRODUCES A VIDEOTAPE OR  
11 PHOTOGRAPH, MICROPHOTOGRAPH OR OTHER RECORDED IMAGE OF THE REAR  
12 PORTION OF EACH VEHICLE AT THE TIME THE VEHICLE IS USED OR  
13 OPERATED IN VIOLATION OF THE TOLL COLLECTION REGULATIONS. THE  
14 TERM INCLUDES ANY OTHER TECHNOLOGY WHICH IDENTIFIES A VEHICLE BY  
15 PHOTOGRAPHIC, ELECTRONIC OR OTHER METHOD.

16 § 8103. (RESERVED).

17 § 8104. STATUS OF TURNPIKE REVENUE BONDS, NOTES OR OTHER  
18 OBLIGATIONS.

19 (A) GENERAL RULE.--THE TURNPIKE REVENUE BONDS, NOTES OR  
20 OTHER OBLIGATIONS ISSUED UNDER THE PROVISIONS OF THIS CHAPTER  
21 SHALL NOT BE DEEMED TO BE A DEBT OF THE COMMONWEALTH OR A PLEDGE  
22 OF THE FAITH AND CREDIT OF THE COMMONWEALTH, BUT BONDS, NOTES OR  
23 OTHER OBLIGATIONS SHALL BE PAYABLE SOLELY FROM THE REVENUES OF  
24 THE COMMISSION, INCLUDING TOLLS, OR FROM FUNDS AS MAY BE  
25 AVAILABLE TO THE COMMISSION FOR THAT PURPOSE.

26 (B) STATEMENT REQUIRED.--ALL BONDS, NOTES OR OTHER  
27 OBLIGATIONS SHALL CONTAIN A STATEMENT ON THEIR FACE THAT THE  
28 COMMONWEALTH IS NOT OBLIGATED TO PAY THE SAME OR THE INTEREST  
29 THEREON EXCEPT FROM REVENUES OF THE COMMISSION, INCLUDING TOLLS,  
30 OR FROM FUNDS AS MAY BE AVAILABLE TO THE COMMISSION FOR THAT

1 PURPOSE AND THAT THE FAITH AND CREDIT OF THE COMMONWEALTH IS NOT  
2 PLEGGED TO THE PAYMENT OF THE PRINCIPAL OR INTEREST OF THE  
3 BONDS, NOTES OR OTHER OBLIGATIONS.

4 (C) PLEDGE OF COMMONWEALTH PROHIBITED.--THE ISSUANCE OF  
5 TURNPIKE REVENUE BONDS, NOTES OR OTHER OBLIGATIONS UNDER THE  
6 PROVISIONS OF THIS CHAPTER SHALL NOT DIRECTLY OR INDIRECTLY OR  
7 CONTINGENTLY OBLIGATE THE COMMONWEALTH TO LEVY OR TO PLEDGE ANY  
8 FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

9 § 8105. COMMISSION.

10 (A) (RESERVED).

11 (B) VACANCIES AND TERMS.--

12 (1) NOTWITHSTANDING ANY OTHER LAW, ANY VACANCY IN THE  
13 MEMBERSHIP OF THE COMMISSION SHALL BE FILLED BY APPOINTMENT  
14 OF THE GOVERNOR BY AND WITH THE ADVICE AND CONSENT OF TWO-  
15 THIRDS OF THE MEMBERS ELECTED TO THE SENATE.

16 (2) THE APPOINTED MEMBER SHALL SERVE FOR A TERM OF FOUR  
17 YEARS. UPON THE EXPIRATION OF THIS TERM, THE APPOINTED MEMBER  
18 MAY CONTINUE TO HOLD OFFICE FOR 90 DAYS OR UNTIL HIS  
19 SUCCESSOR SHALL BE DULY APPOINTED AND QUALIFIED, WHICHEVER  
20 PERIOD IS SHORTER, BUT SHALL NOT CONTINUE TO HOLD OFFICE  
21 THEREAFTER UNLESS REAPPOINTED IN ACCORDANCE WITH LAW.

22 (C) (RESERVED).

23 (D) SECRETARY.--THE PROVISIONS OF SUBSECTION (A) SHALL NOT  
24 APPLY TO THE APPOINTMENT OF THE SECRETARY WHO SHALL CONTINUE TO  
25 BE APPOINTED AND TO SERVE AS A MEMBER OF THE COMMISSION EX  
26 OFFICIO IN ACCORDANCE WITH LAW.

27 (E) CHAIRMAN.--A MAJORITY OF THE MEMBERS OF THE COMMISSION  
28 SHALL ELECT A MEMBER OF THE COMMISSION TO SERVE AS CHAIRMAN.  
29 UPON THE APPOINTMENT AND QUALIFICATION OF ANY NEW MEMBER TO  
30 SERVE ON THE COMMISSION, THE OFFICE OF CHAIRMAN, AND THE

1 POSITIONS OF ALL OTHER OFFICERS CREATED BY LAW, SHALL BE DEEMED  
2 VACANT, AND A NEW CHAIRMAN AND OTHER OFFICERS SHALL BE ELECTED  
3 BY A MAJORITY OF THE MEMBERS OF THE COMMISSION.

4 (F) ACTIONS BY THE COMMISSION.--NOTWITHSTANDING ANY OTHER  
5 LAW, COURT DECISION, PRECEDENT OR PRACTICE TO THE CONTRARY, ANY  
6 AND ALL ACTIONS BY OR ON BEHALF OF THE COMMISSION SHALL BE TAKEN  
7 SOLELY UPON THE APPROVAL OF A MAJORITY OF THE MEMBERS TO THE  
8 COMMISSION. THE TERM "ACTIONS BY OR ON BEHALF OF THE COMMISSION"  
9 MEANS ANY ACTION WHATSOEVER OF THE COMMISSION, INCLUDING, BUT  
10 NOT LIMITED TO, THE HIRING, APPOINTMENT, REMOVAL, TRANSFER,  
11 PROMOTION OR DEMOTION OF ANY OFFICERS AND EMPLOYEES; THE  
12 RETENTION, USE OR REMUNERATION OF ANY ADVISORS, COUNSEL,  
13 AUDITORS, ARCHITECTS, ENGINEERS OR CONSULTANTS; THE INITIATION  
14 OF ANY LEGAL ACTION; THE MAKING OF ANY CONTRACTS, LEASES,  
15 AGREEMENTS, BONDS, NOTES OR COVENANTS; THE APPROVAL OF  
16 REQUISITIONS, PURCHASE ORDERS, INVESTMENTS AND REINVESTMENTS;  
17 AND THE ADOPTION, AMENDMENT, REVISION OR RESCISSION OF ANY RULES  
18 AND REGULATIONS, ORDERS OR OTHER DIRECTIVES. THE CHAIRMAN, VICE  
19 CHAIRMAN OR ANY OTHER OFFICER OR EMPLOYEE OF THE COMMISSION MAY  
20 TAKE NO ACTION BY OR ON BEHALF OF THE COMMISSION EXCEPT AS  
21 EXPRESSLY AUTHORIZED BY A MAJORITY OF THE MEMBERS OF THE  
22 COMMISSION.

23 (G) COMPENSATION.--THE ANNUAL SALARY OF THE CHAIRMAN OF THE  
24 PENNSYLVANIA TURNPIKE COMMISSION SHALL BE \$28,500, AND THE  
25 ANNUAL SALARY OF THE REMAINING MEMBERS OF THE PENNSYLVANIA  
26 TURNPIKE COMMISSION SHALL BE \$26,000. THESE SALARIES SHALL BE  
27 PAID IN EQUAL INSTALLMENTS EVERY OTHER WEEK.

28 § 8106. EXERCISE OF COMMISSION POWERS.

29 THE EXERCISE BY THE COMMISSION OF THE POWERS CONFERRED BY  
30 THIS CHAPTER IN THE CONSTRUCTION, OPERATION AND MAINTENANCE OF



1 THE TURNPIKES AND IN EFFECTING TOLL ROAD CONVERSIONS SHALL BE  
2 DEEMED AND HELD TO BE AN ESSENTIAL GOVERNMENTAL FUNCTION OF THE  
3 COMMONWEALTH.

4 § 8107. COMMISSION POWERS AND DUTIES.

5 (A) POWERS AND DUTIES OF COMMISSION.--THE COMMISSION MAY:

6 (1) MAINTAIN A PRINCIPAL OFFICE AT A PLACE DESIGNATED BY  
7 THE COMMISSION.

8 (2) CONTRACT AND BE CONTRACTED WITH IN ITS OWN NAME.

9 (3) SUE AND BE SUED IN ITS OWN NAME, PLEAD AND BE  
10 IMPLEADED. ANY CIVIL ACTION AGAINST THE COMMISSION SHALL BE  
11 BROUGHT ONLY IN THE COURTS IN WHICH ACTIONS MAY BE BROUGHT  
12 AGAINST THE COMMONWEALTH.

13 (4) HAVE AN OFFICIAL SEAL.

14 (5) MAKE NECESSARY RULES AND REGULATIONS FOR ITS OWN  
15 GOVERNANCE AND IN CONTROL OF TRAFFIC.

16 (6) ACQUIRE, HOLD, ACCEPT, OWN, USE, HIRE, LEASE,  
17 EXCHANGE, OPERATE AND DISPOSE OF PERSONAL PROPERTY, REAL  
18 PROPERTY AND INTERESTS IN REAL PROPERTY AND MAKE AND ENTER  
19 INTO ALL CONTRACTS AND AGREEMENTS NECESSARY OR INCIDENTAL TO  
20 THE PERFORMANCE OF ITS DUTIES AND THE EXECUTION OF ITS POWERS  
21 UNDER THIS CHAPTER AND EMPLOY ENGINEERING, TRAFFIC,  
22 ARCHITECTURAL AND CONSTRUCTION EXPERTS AND INSPECTORS,  
23 ATTORNEYS AND OTHER EMPLOYEES AS MAY IN ITS JUDGMENT BE  
24 NECESSARY AND FIX THEIR COMPENSATION.

25 (7) PROVIDE GRADE SEPARATIONS AT ITS OWN EXPENSE WITH  
26 RESPECT TO ALL PUBLIC ROADS, STATE HIGHWAYS AND INTERSTATE  
27 HIGHWAYS INTERSECTED BY THE TURNPIKES AND TO CHANGE AND  
28 ADJUST THE LINES AND GRADES THEREOF SO AS TO ACCOMMODATE THE  
29 SAME TO THE DESIGN FOR GRADE SEPARATION.

30 (I) THE DAMAGES INCURRED IN CHANGING AND ADJUSTING

1           THE LINES AND GRADES OF PUBLIC ROADS, STATE HIGHWAYS AND  
2           INTERSTATE HIGHWAYS SHALL BE ASCERTAINED AND PAID BY THE  
3           COMMISSION IN ACCORDANCE WITH 26 PA.C.S. (RELATING TO  
4           EMINENT DOMAIN).

5           (II) IF THE COMMISSION SHALL FIND IT NECESSARY TO  
6           PROVIDE A GRADE SEPARATION OR CHANGE THE SITE OF ANY  
7           PORTION OF ANY INTERSTATE HIGHWAY, STATE HIGHWAY OR  
8           PUBLIC ROAD, OR VACATE THE SAME, THE COMMISSION SHALL  
9           CAUSE IT TO BE RECONSTRUCTED AND RESTORED AT THE  
10           COMMISSION'S EXPENSE ON THE MOST FAVORABLE LOCATION AND  
11           IN AS SATISFACTORY A MANNER AS THE ORIGINAL ROAD OR  
12           VACATE IT AS THE CASE MAY BE.

13           (III) THE METHOD OF ACQUIRING THE RIGHT-OF-WAY AND  
14           DETERMINING DAMAGES INCURRED IN CHANGING THE LOCATION OF  
15           OR VACATING THE ROAD, STATE HIGHWAY OR INTERSTATE HIGHWAY  
16           SHALL BE ASCERTAINED AND PAID FOR IN ACCORDANCE WITH 26  
17           PA.C.S.

18           (8) PETITION THE COURT OF COMMON PLEAS OF THE COUNTY IN  
19           WHICH ANY PUBLIC ROAD OR PART THEREOF IS LOCATED AND AFFECTED  
20           BY THE LOCATION OF THE TURNPIKES, FOR THE VACATION,  
21           RELOCATION OR SUPPLY OF THE SAME OR ANY PART THEREOF WITH THE  
22           SAME FORCE AND EFFECT AS IS NOW GIVEN BY EXISTING LAWS TO THE  
23           INHABITANTS OF ANY TOWNSHIP OR THE COUNTY, AND THE  
24           PROCEEDINGS UPON PETITION, WHETHER FOR THE APPOINTMENT OF  
25           VIEWERS OR OTHERWISE, SHALL BE THE SAME AS PROVIDED BY  
26           EXISTING LAW FOR SIMILAR PROCEEDINGS UPON THE PETITIONS.

27           (9) NEGOTIATE AND ENTER INTO INTEREST RATE SWAPS AND  
28           OTHER INTEREST RATE HEDGES TO ASSIST THE COMMISSION IN  
29           MANAGING INTEREST COST AND RATE RISK IN CONNECTION WITH ITS  
30           DEBT.

1           (10) PROVIDE FOR COSTS OF THE DEPARTMENT.

2           (11) HAVE ALL OF THE POWERS AND PERFORM ALL THE DUTIES  
3 PRESCRIBED BY THE ACT OF MAY 21, 1937 (P.L.774, NO.211),  
4 REFERRED TO AS THE PENNSYLVANIA TURNPIKE COMMISSION ACT.

5           (B) MAINTENANCE TO BE PAID OUT OF TOLLS.--

6           (1) THE TURNPIKE EXTENSIONS AND IMPROVEMENTS AND TOLL-  
7 FREE ROADS CONVERTED TO TOLL ROADS WHEN COMPLETED AND OPEN TO  
8 TRAFFIC SHALL BE MAINTAINED AND REPAIRED BY AND UNDER THE  
9 CONTROL OF THE COMMISSION.

10          (2) ALL CHARGES AND COSTS FOR THE MAINTENANCE AND  
11 REPAIRS ACTUALLY EXPENDED BY THE COMMISSION SHALL BE PAID OUT  
12 OF TOLLS.

13          (3) THE TURNPIKE, THE TURNPIKE EXTENSIONS AND  
14 IMPROVEMENTS AND THE TOLL-FREE ROADS CONVERTED TO TOLL ROADS  
15 SHALL ALSO BE POLICED AND OPERATED BY A FORCE OF POLICE, TOLL  
16 TAKERS AND OTHER OPERATING EMPLOYEES AS THE COMMISSION MAY IN  
17 ITS DISCRETION EMPLOY.

18 § 8108. EXPENSES AND BONDING OF COMMISSION MEMBERS.

19          (A) PAYMENT OF EXPENSES.--ALL COMPENSATION AND SALARIES AND  
20 ALL EXPENSES INCURRED IN CARRYING OUT THE PROVISIONS OF THIS  
21 CHAPTER SHALL BE PAID SOLELY FROM FUNDS PROVIDED UNDER THE  
22 AUTHORITY OF THIS CHAPTER, AND NO LIABILITY OR OBLIGATION SHALL  
23 BE INCURRED UNDER THIS CHAPTER BEYOND THE EXTENT TO WHICH MONEY  
24 SHALL HAVE BEEN PROVIDED UNDER THE AUTHORITY OF THIS CHAPTER.

25          (B) NO ADDITIONAL BOND REQUIRED.--THE ISSUANCE OF ANY  
26 TURNPIKE REVENUE BONDS, NOTES OR OTHER OBLIGATIONS UNDER THE  
27 PROVISIONS OF THIS CHAPTER SHALL NOT CAUSE ANY MEMBER OF THE  
28 COMMISSION TO BE REQUIRED TO EXECUTE A BOND THAT A MEMBER OF THE  
29 COMMISSION IS NOT OTHERWISE REQUIRED TO EXECUTE.

30 § 8109. ACQUISITION OF PROPERTY RIGHTS BY COMMISSION.

1       (A) CONDEMNATION.--THE COMMISSION MAY CONDEMN, PURSUANT TO  
2 26 PA.C.S. (RELATING TO EMINENT DOMAIN), ANY LANDS, INTERESTS IN  
3 LANDS, PROPERTY RIGHTS, RIGHTS-OF-WAY, FRANCHISES, EASEMENTS AND  
4 OTHER PROPERTY DEEMED NECESSARY OR CONVENIENT FOR THE  
5 CONSTRUCTION AND EFFICIENT OPERATION OF THE TURNPIKES AND THE  
6 TOLL ROAD CONVERSIONS OR NECESSARY IN THE RESTORATION OR  
7 RELOCATION OF PUBLIC OR PRIVATE PROPERTY DAMAGED OR DESTROYED.

8       (B) PURCHASE.--

9           (1) THE COMMISSION MAY ACQUIRE BY PURCHASE, WHENEVER IT  
10 SHALL DEEM THE PURCHASE EXPEDIENT, OR OTHERWISE ACCEPT IF  
11 DEDICATED TO IT, ANY LANDS, INTERESTS IN LANDS, PROPERTY  
12 RIGHTS, RIGHTS-OF-WAY, FRANCHISES, EASEMENTS AND OTHER  
13 PROPERTY DEEMED NECESSARY OR CONVENIENT FOR THE CONSTRUCTION  
14 AND EFFICIENT OPERATION OF THE TURNPIKES AND TOLL ROAD  
15 CONVERSIONS OR NECESSARY IN THE RESTORATION OF PUBLIC OR  
16 PRIVATE PROPERTY DAMAGED OR DESTROYED, WHETHER THE PROPERTY  
17 HAS BEEN PREVIOUSLY CONDEMNED OR OTHERWISE, UPON TERMS AND AT  
18 A PRICE AS MAY BE CONSIDERED BY THE COMMISSION TO BE  
19 REASONABLE AND CAN BE AGREED UPON BETWEEN THE COMMISSION AND  
20 THE OWNER THEREOF AND TO TAKE TITLE THERETO IN THE NAME OF  
21 THE COMMISSION.

22           (2) THE NET PROCEEDS OF THE PURCHASE PRICE PAYABLE TO A  
23 MUNICIPALITY OR THE DEPARTMENT FOR ANY REAL PROPERTY OR  
24 INTEREST THEREIN OBTAINED BY THE COMMISSION PURSUANT TO THIS  
25 CHAPTER, LESS THE COST OF RETIRING ANY BONDED INDEBTEDNESS ON  
26 THE PROPERTY OR INTEREST, SHALL BE USED EXCLUSIVELY, IN THE  
27 CASE OF A MUNICIPALITY, FOR ROAD-RELATED AND BRIDGE-RELATED  
28 EXPENSES AND, IN THE CASE OF THE DEPARTMENT, FOR HIGHWAY AND  
29 BRIDGE CONSTRUCTION, RECONSTRUCTION AND MAINTENANCE IN THE  
30 SAME ENGINEERING AND MAINTENANCE DISTRICT IN WHICH THE

1 PROPERTY IS LOCATED.

2 § 8110. PROCEDURAL REQUIREMENTS OF ACQUISITION.

3 (A) TITLE.--TITLE TO ANY PROPERTY CONDEMNED BY THE  
4 COMMISSION SHALL BE TAKEN IN THE NAME OF THE COMMISSION.

5 (B) ENTRY.--

6 (1) IN ADDITION TO ANY OTHERS POWERS SET FORTH IN THIS  
7 CHAPTER, THE COMMISSION AND ITS AUTHORIZED AGENTS AND  
8 EMPLOYEES MAY ENTER UPON ANY LANDS, WATERS AND PREMISES IN  
9 THIS COMMONWEALTH FOR THE PURPOSE OF MAKING SURVEYS,  
10 SOUNDINGS, DRILLINGS AND EXAMINATIONS, AS IT MAY DEEM  
11 NECESSARY OR CONVENIENT FOR THE PURPOSE OF THIS CHAPTER.

12 (2) THE ENTRY SHALL NOT BE DEEMED A TRESPASS, NOR SHALL  
13 AN ENTRY FOR THE PURPOSES BE DEEMED AN ENTRY UNDER ANY  
14 CONDEMNATION PROCEEDINGS WHICH MAY BE THEN PENDING.

15 (3) THE COMMISSION SHALL MAKE REIMBURSEMENT FOR ANY  
16 ACTUAL DAMAGES RESULTING TO THE LANDS, WATERS AND PREMISES AS  
17 A RESULT OF THE ACTIVITIES.

18 (C) RESTORATION OF PROPERTY.--ANY PUBLIC OR PRIVATE PROPERTY  
19 DAMAGED OR DESTROYED IN CARRYING OUT THE POWERS GRANTED BY THIS  
20 CHAPTER SHALL BE RESTORED OR REPAIRED AND PLACED IN ITS ORIGINAL  
21 CONDITION AS NEARLY AS PRACTICABLE OR ADEQUATE COMPENSATION MADE  
22 FOR THE PROPERTY OUT OF FUNDS PROVIDED UNDER THE AUTHORITY OF  
23 THIS CHAPTER.

24 (D) POWERS OF PUBLIC BODIES.--NOTWITHSTANDING ANY OTHER  
25 PROVISION OF LAW TO THE CONTRARY, A POLITICAL SUBDIVISION OR A  
26 PUBLIC AGENCY OR COMMISSION OF THE COMMONWEALTH MAY LEASE, LEND,  
27 DEDICATE, GRANT, CONVEY OR OTHERWISE TRANSFER TO THE COMMISSION,  
28 UPON ITS REQUEST, UPON TERMS AND CONDITIONS AS THE PROPER  
29 AUTHORITIES OF THE POLITICAL SUBDIVISION OR PUBLIC AGENCY OR  
30 COMMISSION OF THE COMMONWEALTH DEEMS REASONABLE AND FAIR AND

1 WITHOUT THE NECESSITY FOR ANY ADVERTISEMENT, ORDER OF COURT OR  
2 OTHER ACTION OR FORMALITY, OTHER THAN THE REGULAR AND FORMAL  
3 ACTION OF THE AUTHORITIES CONCERNED, ANY REAL PROPERTY WHICH MAY  
4 BE NECESSARY OR CONVENIENT TO THE EFFECTUATION OF THE AUTHORIZED  
5 PURPOSES OF THE COMMISSION, INCLUDING PUBLIC ROADS AND OTHER  
6 REAL PROPERTY ALREADY DEVOTED TO PUBLIC USE.

7 § 8111. ENTRY AND POSSESSION OF PROPERTY CONDEMNED.

8 WHENEVER THE COMMISSION HAS CONDEMNED ANY LANDS, RIGHTS,  
9 RIGHTS-OF-WAY, EASEMENTS AND FRANCHISES, OR INTERESTS THEREIN,  
10 AS PROVIDED IN THIS CHAPTER, THE COMMISSION MAY PROCEED TO  
11 OBTAIN POSSESSION IN THE MANNER PROVIDED BY 26 PA.C.S. (RELATING  
12 TO THE EMINENT DOMAIN).

13 § 8112. ISSUANCE OF TURNPIKE REVENUE BONDS OR OTHER  
14 OBLIGATIONS.

15 (A) AUTHORIZATION.--

16 (1) A BOND MUST BE AUTHORIZED BY RESOLUTION OF THE  
17 COMMISSION. THE RESOLUTION MAY SPECIFY ALL OF THE FOLLOWING:

18 (I) SERIES.

19 (II) DATE OF MATURITY NOT EXCEEDING 40 YEARS FROM  
20 DATE OF ISSUE.

21 (III) INTEREST.

22 (IV) DENOMINATION.

23 (V) FORM, EITHER COUPON OR FULLY REGISTERED WITHOUT  
24 COUPONS.

25 (VI) REGISTRATION, EXCHANGEABILITY AND  
26 INTERCHANGEABILITY PRIVILEGES.

27 (VII) MEDIUM OF PAYMENT AND PLACE OF PAYMENT.

28 (VIII) TERMS OF REDEMPTION NOT EXCEEDING 105% OF THE  
29 PRINCIPAL AMOUNT OF THE BOND.

30 (IX) PRIORITIES IN THE REVENUES OR RECEIPTS OF THE

1           COMMISSION.

2           (2) A BOND MUST BE SIGNED BY OR SHALL BEAR THE FACSIMILE  
3           SIGNATURE OF SUCH OFFICERS AS THE COMMISSION DETERMINES. A  
4           BOND MAY BE ISSUED AND DELIVERED NOTWITHSTANDING THAT ONE OR  
5           MORE OF THE SIGNING OFFICERS OR THE TREASURER HAS CEASED TO  
6           BE AN OFFICER WHEN THE BOND IS ACTUALLY DELIVERED. A BOND  
7           MUST BE AUTHENTICATED BY AN AUTHENTICATING AGENT, A FISCAL  
8           AGENT OR A TRUSTEE, IF REQUIRED BY THE AUTHORIZING  
9           RESOLUTION.

10           (3) A BOND MAY BE SOLD AT PUBLIC OR PRIVATE SALE FOR A  
11           PRICE DETERMINED BY THE COMMISSION.

12           (4) PENDING THE PREPARATION OF A DEFINITIVE BOND,  
13           INTERIM RECEIPTS OR TEMPORARY BONDS WITHOUT COUPONS MAY BE  
14           ISSUED TO THE PURCHASER AND MAY CONTAIN TERMS AND CONDITIONS  
15           AS THE COMMISSION DETERMINES.

16           (B) PROVISIONS.--A RESOLUTION AUTHORIZING A BOND MAY CONTAIN  
17           PROVISIONS WHICH SHALL BE PART OF THE CONTRACT WITH THE  
18           BONDHOLDER AS TO THE FOLLOWING:

19           (1) PLEDGING THE FULL FAITH AND CREDIT OF THE COMMISSION  
20           BUT NOT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION FOR  
21           THE BOND OR RESTRICTING THE OBLIGATION OF THE COMMISSION TO  
22           ALL OR ANY OF THE REVENUE OF THE COMMISSION FROM ALL OR ANY  
23           PROJECTS OR PROPERTIES.

24           (2) THE PAYMENT OF THE COSTS OF THE DEPARTMENT, THE  
25           COSTS OF THE TURNPIKES AND THE TOLL ROAD CONVERSIONS,  
26           INCLUDING THE RECONSTRUCTION OF THE CONVERTED ROADS AS  
27           PROVIDED FOR IN THIS CHAPTER AND THE REPAYMENT TO THE FEDERAL  
28           TREASURY OF ANY FUNDS SO REQUIRED TO BE REPAID PURSUANT TO  
29           ANY SPECIAL LEGISLATION PASSED BY THE CONGRESS OF THE UNITED  
30           STATES AUTHORIZING THE CONVERSION OF TOLL-FREE ROADS TO TOLL

1 ROADS, THE FINANCING FOR INSURANCE RESERVES AND THE DUTIES OF  
2 THE COMMISSION WITH REFERENCE TO THESE MATTERS.

3 (3) TERMS AND PROVISIONS OF THE BOND.

4 (4) LIMITATIONS ON THE PURPOSES TO WHICH THE PROCEEDS OF  
5 THE BOND OR OTHER FINANCING MAY BE APPLIED.

6 (5) RATE OF TOLLS AND OTHER CHARGES FOR USE OF THE  
7 FACILITIES OF OR FOR THE SERVICES RENDERED BY THE COMMISSION.

8 (6) THE SETTING ASIDE, REGULATION AND DISPOSITION OF  
9 RESERVES AND SINKING FUNDS.

10 (7) LIMITATIONS ON THE ISSUANCE OF ADDITIONAL BONDS.

11 (8) TERMS AND PROVISIONS OF ANY DEED OF TRUST OR  
12 INDENTURE SECURING THE BOND OR UNDER WHICH ANY DEED OF TRUST  
13 OR INDENTURE MAY BE ISSUED.

14 (9) OTHER ADDITIONAL AGREEMENTS WITH THE HOLDER OF THE  
15 BOND.

16 (C) DEEDS OF TRUST.--THE COMMISSION MAY ENTER INTO ANY DEED  
17 OF TRUST, INDENTURE OR OTHER AGREEMENT WITH ANY BANK OR TRUST  
18 COMPANY OR OTHER PERSON IN THE UNITED STATES HAVING POWER TO  
19 ENTER INTO SUCH AN ARRANGEMENT, INCLUDING ANY FEDERAL AGENCY, AS  
20 SECURITY FOR A BOND AND MAY ASSIGN AND PLEDGE ALL OR ANY OF THE  
21 REVENUES OR RECEIPTS OF THE COMMISSION UNDER SUCH DEED,  
22 INDENTURE OR AGREEMENT. THE DEED OF TRUST, INDENTURE OR OTHER  
23 AGREEMENT MAY CONTAIN PROVISIONS AS MAY BE CUSTOMARY IN SUCH  
24 INSTRUMENTS OR AS THE COMMISSION MAY AUTHORIZE, INCLUDING  
25 PROVISIONS AS TO THE FOLLOWING:

26 (1) FOR THE PAYMENT OF THE COSTS OF THE DEPARTMENT, THE  
27 COSTS OF THE TURNPIKES AND THE TOLL ROAD CONVERSIONS,  
28 INCLUDING THE RECONSTRUCTION OF THE CONVERTED ROADS AS  
29 PROVIDED FOR IN THIS CHAPTER AND THE REPAYMENT TO THE FEDERAL  
30 TREASURY OF ANY FUNDS SO REQUIRED TO BE REPAID PURSUANT TO



1 ANY SPECIAL LEGISLATION PASSED BY THE CONGRESS OF THE UNITED  
2 STATES AUTHORIZING THE CONVERSION OF TOLL-FREE ROADS TO TOLL  
3 ROADS, FINANCING FOR INSURANCE RESERVES AND THE DUTIES OF THE  
4 COMMISSION WITH REFERENCE TO THESE MATTERS.

5 (2) APPLICATION OF FUNDS AND THE SAFEGUARDING OF FUNDS  
6 ON HAND OR ON DEPOSIT.

7 (3) RIGHTS AND REMEDIES OF TRUSTEES AND BONDHOLDERS,  
8 INCLUDING RESTRICTIONS UPON THE INDIVIDUAL RIGHT OF ACTION OF  
9 A BONDHOLDER.

10 (4) TERMS AND PROVISIONS OF THE BOND OR THE RESOLUTION  
11 AUTHORIZING THE ISSUANCE OF THE BOND.

12 (D) NEGOTIABILITY.--A BOND SHALL HAVE ALL THE QUALITIES OF  
13 NEGOTIABLE INSTRUMENTS UNDER 13 PA.C.S. DIV. 3 (RELATING TO  
14 NEGOTIABLE INSTRUMENTS).

15 § 8113. OBLIGATION PROCEEDS RESTRICTED AND LIEN CREATED.

16 ALL MONEY RECEIVED FROM ANY BONDS, NOTES OR OTHER OBLIGATIONS  
17 ISSUED UNDER THIS CHAPTER SHALL BE APPLIED SOLELY TO THE PAYMENT  
18 OF THE COSTS OF THE DEPARTMENT, THE COSTS OF THE TURNPIKES, THE  
19 TURNPIKE EXTENSIONS AND IMPROVEMENTS AND THE TOLL ROAD  
20 CONVERSIONS, INCLUDING THE RECONSTRUCTION OF THE CONVERTED ROADS  
21 AS PROVIDED FOR IN THIS CHAPTER AND THE REPAYMENT TO THE FEDERAL  
22 TREASURY OF ANY FUNDS SO REQUIRED TO BE REPAID PURSUANT TO ANY  
23 SPECIAL LEGISLATION PASSED BY THE CONGRESS OF THE UNITED STATES  
24 AUTHORIZING THE CONVERSION OF TOLL-FREE ROADS TO TOLL ROADS OR  
25 TO THE APPURTENANT FUND. THERE IS CREATED AND GRANTED A LIEN  
26 UPON THE MONEY, UNTIL SO APPLIED, IN FAVOR OF HOLDERS OF THE  
27 BONDS, NOTES OR OTHER OBLIGATIONS OR THE TRUSTEE PROVIDED FOR IN  
28 THIS CHAPTER IN RESPECT OF THE BONDS, NOTES OR OTHER  
29 OBLIGATIONS.

30 § 8114. TRUST INDENTURE AUTHORIZED.

1       (A) SECURITY FOR BONDS.--IN THE DISCRETION OF THE  
2 COMMISSION, THE BONDS, NOTES OR OTHER OBLIGATIONS MAY BE SECURED  
3 BY A TRUST INDENTURE BY AND BETWEEN THE COMMISSION AND A  
4 CORPORATE TRUSTEE, WHICH MAY BE ANY TRUST COMPANY OR BANK HAVING  
5 THE POWERS OF A TRUST COMPANY, WITHIN THIS COMMONWEALTH. THE  
6 TRUST INDENTURE MAY PLEDGE OR ASSIGN TOLLS AND REVENUE TO BE  
7 RECEIVED BUT SHALL NOT CONVEY OR MORTGAGE THE PENNSYLVANIA  
8 TURNPIKE SYSTEM, INCLUDING THE TURNPIKES AND TOLL ROAD  
9 CONVERSIONS PROVIDED FOR BY THIS CHAPTER.

10       (B) RIGHTS OF BONDHOLDERS.--EITHER THE RESOLUTION PROVIDING  
11 FOR THE ISSUANCE OF THE BONDS, NOTES OR OTHER OBLIGATIONS OR THE  
12 TRUST INDENTURE MAY CONTAIN PROVISIONS FOR PROTECTING AND  
13 ENFORCING THE RIGHTS AND REMEDIES OF THE BONDHOLDERS OR HOLDERS  
14 OF NOTES OR OTHER OBLIGATIONS AS MAY BE REASONABLE AND PROPER  
15 AND NOT IN VIOLATION OF LAW, INCLUDING COVENANTS SETTING FORTH  
16 THE DUTIES OF THE COMMISSION IN RELATION TO THE ACQUISITION OF  
17 PROPERTIES AND THE CONSTRUCTION, MAINTENANCE, OPERATION AND  
18 REPAIR AND INSURANCE OF THE TURNPIKES, AND THE CUSTODY,  
19 SAFEGUARDING AND APPLICATION OF ALL MONEY. IT SHALL BE LAWFUL  
20 FOR ANY BANK OR TRUST COMPANY INCORPORATED UNDER THE LAWS OF  
21 THIS COMMONWEALTH TO ACT AS A DEPOSITORY OF THE PROCEEDS OF  
22 BONDS, NOTES OR OTHER OBLIGATIONS OR REVENUES AND TO FURNISH THE  
23 INDEMNITY BONDS OR TO PLEDGE THE SECURITIES AS MAY BE REQUIRED  
24 BY THE COMMISSION. THE TRUST INDENTURE MAY SET FORTH THE RIGHTS  
25 AND REMEDIES OF THE BONDHOLDERS OR HOLDERS OF NOTES OR OTHER  
26 OBLIGATIONS AND OF THE TRUSTEE AND MAY RESTRICT THE INDIVIDUAL  
27 RIGHT OF ACTION OF BONDHOLDERS OR HOLDERS OF NOTES OR OTHER  
28 OBLIGATIONS AS IS CUSTOMARY IN TRUST INDENTURES SECURING BONDS,  
29 DEBENTURES OF CORPORATIONS, NOTES OR OTHER OBLIGATIONS. IN  
30 ADDITION TO THE FOREGOING, THE TRUST INDENTURE MAY CONTAIN OTHER

1 PROVISIONS AS THE COMMISSION MAY DEEM REASONABLE AND PROPER FOR  
2 THE SECURITY OF BONDHOLDERS OR HOLDERS OF NOTES OR OTHER  
3 OBLIGATIONS. ALL EXPENSES INCURRED IN CARRYING OUT THE TRUST  
4 INDENTURE MAY BE TREATED AS PART OF THE COST OF MAINTENANCE,  
5 OPERATION AND REPAIR OF THE TURNPIKES AND TOLL ROAD CONVERSIONS  
6 PROVIDED FOR BY THIS CHAPTER.

7 § 8115. COMMISSION AND OBLIGATIONS TAX EXEMPT.

8 THE ACCOMPLISHMENT BY THE COMMISSION OF THE AUTHORIZED  
9 PURPOSES STATED IN THIS CHAPTER BEING FOR THE BENEFIT OF THE  
10 PEOPLE OF THIS COMMONWEALTH AND FOR THE IMPROVEMENT OF THEIR  
11 COMMERCE AND PROSPERITY, IN WHICH ACCOMPLISHMENT THE COMMISSION  
12 WILL BE PERFORMING ESSENTIAL GOVERNMENTAL FUNCTIONS, THE  
13 COMMISSION SHALL NOT BE REQUIRED TO PAY ANY TAXES OR ASSESSMENTS  
14 ON ANY PROPERTY ACQUIRED OR USED BY IT FOR THE PURPOSES PROVIDED  
15 IN THIS CHAPTER, AND THE BONDS, NOTES OR OTHER OBLIGATIONS  
16 ISSUED BY THE COMMISSION, THEIR TRANSFER AND THE INCOME  
17 THEREFROM, INCLUDING ANY PROFITS MADE ON THE SALE THEREOF, SHALL  
18 AT ALL TIMES BE FREE FROM TAXATION WITHIN THIS COMMONWEALTH.

19 § 8116. COLLECTION AND DISPOSITION OF TOLLS AND OTHER REVENUE.

20 (A) ESTABLISHMENT AND CHANGES IN TOLL AMOUNTS.--SUBJECT TO  
21 THE TERMS OF ANY TRUST INDENTURE ENTERED INTO BY THE COMMISSION  
22 OR ANY RESOLUTION AUTHORIZING THE ISSUANCE OF ANY BONDS, NOTES  
23 OR OTHER OBLIGATIONS OF THE COMMISSION, THE COMMISSION IS  
24 AUTHORIZED: TO FIX AND TO REVISE TOLLS FOR THE USE OF THE  
25 PENNSYLVANIA TURNPIKE SYSTEM AND THE DIFFERENT PARTS OR SECTIONS  
26 OF THE SYSTEM, INCLUDING THE TURNPIKE, THE TURNPIKE EXTENSIONS  
27 AND IMPROVEMENTS AND THE TOLL ROAD CONVERSIONS AUTHORIZED BY  
28 THIS CHAPTER. THE COMMISSION IS FURTHER AUTHORIZED TO CHARGE AND  
29 COLLECT TOLLS; TO CONTRACT WITH ANY PERSON, PARTNERSHIP,  
30 ASSOCIATION OR CORPORATION DESIRING THE USE OF ANY PART THEREOF,

1 INCLUDING THE RIGHT-OF-WAY ADJOINING THE PAVED PORTION, FOR  
2 PLACING THEREON TELEPHONE, TELEGRAPH, ELECTRIC LIGHT OR POWER  
3 LINES, GAS STATIONS, GARAGES, STORES, HOTELS, RESTAURANTS AND  
4 ADVERTISING SIGNS, OR FOR ANY OTHER PURPOSE, EXCEPT FOR TRACKS  
5 FOR RAILROAD OR RAILWAY USE; AND TO FIX THE TERMS, CONDITIONS,  
6 RENTS AND RATES OF CHARGES FOR USE. TOLLS SHALL BE FIXED AND  
7 ADJUSTED AS TO PROVIDE FUNDS AT LEAST SUFFICIENT WITH OTHER  
8 REVENUES OF THE PENNSYLVANIA TURNPIKE SYSTEM, IF ANY, TO PAY ALL  
9 OF THE FOLLOWING:

10 (1) THE COST OF THE TURNPIKES. THIS PARAGRAPH INCLUDES  
11 THE COST OF CONSTRUCTING, RECONSTRUCTING, WIDENING,  
12 EXPANDING, EXTENDING, MAINTAINING, REPAIRING AND OPERATING  
13 THE PENNSYLVANIA TURNPIKE SYSTEM AND THE DIFFERENT PARTS AND  
14 SECTIONS OF THE SYSTEM.

15 (2) ANY OF THE FOLLOWING:

16 (I) THE COMMISSION'S BONDS, NOTES OR OTHER  
17 OBLIGATIONS AND THE INTEREST ON THEM.

18 (II) SINKING FUND REQUIREMENTS OF THE COMMISSION.

19 (III) OTHER REQUIREMENTS PROVIDED FOR BY ANY  
20 RESOLUTION AUTHORIZING THE ISSUANCE OF THE BONDS, NOTES  
21 OR OTHER OBLIGATIONS BY THE COMMISSION, OR BY ANY TRUST  
22 INDENTURE TO WHICH THE COMMISSION IS A PARTY, AS THEY  
23 BECOME DUE.

24 (3) AMOUNTS DUE TO THE DEPARTMENT UNDER 75 PA.C.S. CH.  
25 89 (RELATING TO PENNSYLVANIA TURNPIKE) AND PURSUANT TO THE  
26 LEASE AGREEMENT UNDER 75 PA.C.S. § 8915.3 (RELATING TO LEASE  
27 OF INTERSTATE 80).

28 (4) THE COST OF REPAYMENT TO THE FEDERAL GOVERNMENT OF  
29 FUNDS REQUIRED TO BE REPAID PURSUANT TO FEDERAL LEGISLATION  
30 AUTHORIZING THE CONVERSION OF TOLL-FREE ROADS TO TOLL ROADS.

1           (5) ANY OTHER AMOUNTS PAYABLE TO THE COMMONWEALTH OR TO  
2           THE DEPARTMENT.

3           (B) RESTRICTIONS ON TOLL REVENUE.--TOLLS SHALL NOT BE  
4           SUBJECT TO SUPERVISION OR REGULATION BY ANY OTHER STATE  
5           COMMISSION, BOARD, BUREAU OR AGENCY. SUBJECT TO THE TERMS OF ANY  
6           PRESENTLY EXISTING TRUST INDENTURE ENTERED INTO BY THE  
7           COMMISSION AND ANY PRESENTLY EXISTING RESOLUTION AUTHORIZING THE  
8           ISSUANCE OF ANY BONDS, NOTES OR OTHER OBLIGATIONS OF THE  
9           COMMISSION, THE TOLLS AND ALL OTHER REVENUE DERIVED FROM THE  
10           PENNSYLVANIA TURNPIKE SYSTEM SHALL BE SET ASIDE AND PLEDGED AS  
11           MAY BE PROVIDED IN ANY RESOLUTIONS, TRUST INDENTURES OR ANY  
12           OTHER AGREEMENTS THAT THE COMMISSION MAY HEREAFTER ADOPT OR  
13           HEREAFTER ENTER INTO WITH RESPECT TO THE ISSUANCE OF BONDS,  
14           NOTES OR OTHER OBLIGATIONS OF THE COMMISSION.

15    § 8117. ELECTRONIC TOLL COLLECTION.

16           (A) LIABILITY OF OWNER.--

17           (1) IF AN OPERATOR OF A VEHICLE FAILS TO PAY THE  
18           PRESCRIBED TOLL AT ANY LOCATION WHERE TOLLS ARE COLLECTED BY  
19           MEANS OF ELECTRONIC TOLL COLLECTION, THE OWNER OF THE VEHICLE  
20           SHALL BE LIABLE TO THE COMMISSION FOR FAILURE OF THE OPERATOR  
21           OF THE VEHICLE TO COMPLY WITH THIS SECTION IF THE VIOLATION  
22           IS EVIDENCED BY INFORMATION OBTAINED FROM A VIOLATION  
23           ENFORCEMENT SYSTEM.

24           (2) IF A VIOLATION OF THIS SECTION IS COMMITTED, THE  
25           REGISTRATION PLATE NUMBER OF THE VEHICLE AS RECORDED BY A  
26           VIOLATION ENFORCEMENT SYSTEM SHALL ESTABLISH AN INFERENCE  
27           THAT THE OWNER OF THE VEHICLE WAS THEN OPERATING THE VEHICLE.  
28           THE INFERENCE SHALL BE OVERCOME IF THE OWNER DOES ALL OF THE  
29           FOLLOWING:

30           (I) TESTIFIES THAT THE OWNER WAS NOT OPERATING THE

1 VEHICLE AT THE TIME OF THE VIOLATION.

2 (II) SUBMITS TO AN EXAMINATION AS TO WHO AT THE TIME  
3 WAS OPERATING THE VEHICLE.

4 (III) REVEALS THE NAME AND RESIDENCE ADDRESS, IF  
5 KNOWN, OF THE OPERATOR OF THE VEHICLE.

6 (3) IF AN ACTION OR PROCEEDING IS COMMENCED IN A COUNTY  
7 OTHER THAN THAT OF THE RESIDENCE OF THE OWNER, A VERIFIED  
8 WRITTEN STATEMENT SETTING FORTH THE FACTS PRESCRIBED UNDER  
9 PARAGRAPH (2)(I), (II) AND (III) SHALL SUFFICE TO OVERCOME  
10 THE INFERENCE.

11 (4) IF THE INFERENCE IS OVERCOME, THE OPERATOR OF THE  
12 VEHICLE MAY BE HELD LIABLE UNDER THIS SECTION FOR FAILURE TO  
13 PAY THE PRESCRIBED TOLL IN THE SAME MANNER AS IF THE OPERATOR  
14 WERE THE OWNER OF THE VEHICLE.

15 (B) IMPOSITION OF LIABILITY.--LIABILITY UNDER THIS SECTION  
16 SHALL BE IMPOSED UPON AN OWNER FOR A VIOLATION OF THIS SECTION  
17 OR THE REGULATIONS OF THE COMMISSION OCCURRING WITHIN THE  
18 TERRITORIAL LIMITS OF THIS COMMONWEALTH. IF A VIOLATION IS  
19 COMMITTED AS EVIDENCED BY A VIOLATION ENFORCEMENT SYSTEM, THE  
20 FOLLOWING SHALL APPLY:

21 (1) THE COMMISSION OR AN AUTHORIZED AGENT OR EMPLOYEE  
22 MUST PREPARE AND MAIL A NOTICE OF VIOLATION AS FOLLOWS:

23 (I) THE NOTICE OF VIOLATION MUST BE SENT BY FIRST  
24 CLASS MAIL TO EACH PERSON ALLEGED TO BE LIABLE AS AN  
25 OWNER FOR A VIOLATION OF THIS SECTION.

26 (II) THE NOTICE MUST BE MAILED AT THE ADDRESS SHOWN  
27 ON THE VEHICLE REGISTRATION OR AT THE ADDRESS OF THE  
28 OPERATOR, AS APPLICABLE. NOTICE MUST BE MAILED NO LATER  
29 THAN 60 DAYS AFTER:

30 (A) THE ALLEGED CONDUCT; OR

1                   (B) THE DATE THE INFERENCE IS OVERCOME UNDER  
2                   SUBSECTION (A)(2).

3                   (III) PERSONAL SERVICE IS NOT REQUIRED.

4                   (IV) THE NOTICE MUST CONTAIN ALL OF THE FOLLOWING:

5                   (A) INFORMATION ADVISING THE PERSON CHARGED OF  
6                   THE MANNER AND TIME IN WHICH THE LIABILITY ALLEGED IN  
7                   THE NOTICE MAY BE CONTESTED.

8                   (B) A WARNING ADVISING THE PERSON CHARGED THAT  
9                   FAILURE TO CONTEST IN THE MANNER AND TIME PROVIDED  
10                  SHALL BE DEEMED AN ADMISSION OF LIABILITY AND THAT A  
11                  DEFAULT JUDGMENT MAY BE ENTERED ON THE NOTICE.

12                  (1.1) A MANUAL OR AUTOMATIC RECORD OF MAILING PREPARED  
13                  IN THE ORDINARY COURSE OF BUSINESS SHALL BE PRIMA FACIE  
14                  EVIDENCE OF THE MAILING OF NOTICE.

15                  (2) IF AN OWNER OF A VEHICLE OR AN OWNER THAT IS A  
16                  LESSOR OF A VEHICLE RECEIVES A NOTICE OF VIOLATION UNDER THIS  
17                  SECTION FOR ANY TIME PERIOD DURING WHICH THE VEHICLE WAS  
18                  REPORTED TO A POLICE DEPARTMENT AS HAVING BEEN STOLEN, IT  
19                  SHALL BE A DEFENSE TO THE ALLEGATION OF LIABILITY THAT THE  
20                  VEHICLE HAD BEEN REPORTED TO THE POLICE AS HAVING BEEN STOLEN  
21                  PRIOR TO THE TIME THE VIOLATION OCCURRED AND THAT THE VEHICLE  
22                  HAD NOT BEEN RECOVERED BY THE TIME OF THE VIOLATION. FOR  
23                  PURPOSES OF ASSERTING THE DEFENSE UNDER THIS PARAGRAPH, IT  
24                  SHALL BE SUFFICIENT THAT A CERTIFIED COPY OF THE POLICE  
25                  REPORT ON THE STOLEN VEHICLE BE SENT BY FIRST CLASS MAIL TO  
26                  THE COMMISSION WITHIN 30 DAYS AFTER RECEIVING THE ORIGINAL  
27                  NOTICE OF VIOLATION. FAILURE TO SEND THE INFORMATION WITHIN  
28                  THE TIME LIMIT UNDER THIS PARAGRAPH SHALL RENDER THE OWNER OR  
29                  LESSOR LIABLE FOR THE PENALTY PRESCRIBED BY THIS SECTION.

30                  (3) AN OWNER THAT IS A LESSOR OF A VEHICLE AS TO WHICH A

1 NOTICE OF VIOLATION WAS ISSUED UNDER PARAGRAPH (1) SHALL NOT  
2 BE LIABLE FOR A VIOLATION IF THE OWNER SENDS TO THE  
3 COMMISSION A COPY OF THE RENTAL, LEASE OR OTHER CONTRACT  
4 DOCUMENT COVERING THE VEHICLE ON THE DATE OF THE VIOLATION,  
5 WITH THE NAME AND ADDRESS OF THE LESSEE CLEARLY LEGIBLE TO  
6 THE COMMISSION, WITHIN 30 DAYS AFTER RECEIVING THE ORIGINAL  
7 NOTICE OF VIOLATION. FAILURE TO SEND THE INFORMATION WITHIN  
8 THE TIME LIMIT UNDER THIS PARAGRAPH SHALL RENDER THE LESSOR  
9 LIABLE FOR THE PENALTY PRESCRIBED BY THIS SECTION. IF THE  
10 LESSOR COMPLIES WITH THE PROVISIONS OF THIS SECTION, THE  
11 LESSEE OF THE VEHICLE ON THE DATE OF THE VIOLATION SHALL BE  
12 DEEMED TO BE THE OWNER OF THE VEHICLE FOR PURPOSES OF THIS  
13 SECTION AND SHALL BE SUBJECT TO LIABILITY FOR THE PENALTY  
14 UNDER THIS SECTION.

15 (4) A CERTIFIED REPORT OR A FACSIMILE REPORT OF AN  
16 AUTHORIZED AGENT OR EMPLOYEE OF THE COMMISSION REPORTING A  
17 VIOLATION OF THIS SECTION OR REGULATIONS OF THE COMMISSION  
18 BASED UPON THE RECORDED INFORMATION OBTAINED FROM A VIOLATION  
19 ENFORCEMENT SYSTEM SHALL BE PRIMA FACIE EVIDENCE OF THE FACTS  
20 CONTAINED IN THE REPORT AND SHALL BE ADMISSIBLE AS AN  
21 OFFICIAL RECORD KEPT IN THE ORDINARY COURSE OF BUSINESS IN  
22 ANY PROCEEDING CHARGING A VIOLATION OF THIS SECTION OR THE  
23 TOLL COLLECTION REGULATIONS OF THE COMMISSION.

24 (5) NOTWITHSTANDING ANY OTHER PROVISION OF LAW,  
25 VIDEOTAPES, PHOTOGRAPHS, MICROPHOTOGRAPHS, OTHER RECORDED  
26 IMAGES, WRITTEN RECORDS, REPORTS OR FACSIMILES PREPARED  
27 PURSUANT TO THIS SECTION SHALL BE FOR THE EXCLUSIVE USE OF  
28 THE COMMISSION, ITS AUTHORIZED AGENTS, ITS EMPLOYEES AND LAW  
29 ENFORCEMENT OFFICIALS FOR THE PURPOSE OF DISCHARGING DUTIES  
30 UNDER THIS SECTION AND THE REGULATIONS OF THE COMMISSION. THE



1 INFORMATION SHALL NOT BE DEEMED A PUBLIC RECORD UNDER THE ACT  
2 OF JUNE 21, 1957 (P.L.390, NO.212), REFERRED TO AS THE RIGHT-  
3 TO-KNOW LAW. THE INFORMATION SHALL NOT BE DISCOVERABLE BY  
4 COURT ORDER OR OTHERWISE; NOR SHALL IT BE OFFERED IN EVIDENCE  
5 IN ANY ACTION OR PROCEEDING WHICH IS NOT DIRECTLY RELATED TO  
6 A VIOLATION OF THIS SECTION, THE REGULATIONS OF THE  
7 COMMISSION OR INDEMNIFICATION FOR LIABILITY IMPOSED PURSUANT  
8 TO THIS SECTION. THE RESTRICTIONS SET FORTH IN THIS  
9 PARAGRAPH:

10 (I) SHALL NOT BE DEEMED TO PRECLUDE A COURT OF  
11 COMPETENT JURISDICTION FROM ISSUING AN ORDER DIRECTING  
12 THAT THE INFORMATION BE PROVIDED TO LAW ENFORCEMENT  
13 OFFICIALS IF THE INFORMATION IS REASONABLY DESCRIBED AND  
14 IS REQUESTED SOLELY IN CONNECTION WITH A CRIMINAL LAW  
15 ENFORCEMENT ACTION;

16 (II) SHALL NOT BE DEEMED TO PRECLUDE THE EXCHANGE OF  
17 THE INFORMATION BETWEEN ANY ENTITIES WITH JURISDICTION  
18 OVER OR WHICH OPERATE AN ELECTRONIC TOLL COLLECTION  
19 SYSTEM IN THIS COMMONWEALTH OR ANY OTHER JURISDICTION;  
20 AND

21 (III) SHALL NOT BE DEEMED TO PROHIBIT THE USE OF  
22 INFORMATION EXCLUSIVELY FOR THE PURPOSE OF BILLING  
23 ELECTRONIC TOLL COLLECTION ACCOUNT HOLDERS, DEDUCTING  
24 TOLL CHARGES FROM THE ACCOUNT OF AN ACCOUNT HOLDER,  
25 ENFORCING TOLL COLLECTION LAWS AND RELATED REGULATIONS OR  
26 ENFORCING THE PROVISIONS OF AN ACCOUNT HOLDER AGREEMENT.

27 (6) AN IMPOSITION OF LIABILITY UNDER THIS SECTION MUST  
28 BE BASED UPON A PREPONDERANCE OF EVIDENCE.

29 (7) AN IMPOSITION OF LIABILITY PURSUANT TO THIS SECTION  
30 SHALL NOT BE DEEMED A CONVICTION OF AN OWNER AND SHALL NOT BE

1 MADE PART OF THE MOTOR VEHICLE OPERATING RECORD OF THE PERSON  
2 UPON WHOM THE LIABILITY IS IMPOSED, NOR SHALL IT BE  
3 CONSIDERED IN THE PROVISION OF MOTOR VEHICLE INSURANCE  
4 COVERAGE.

5 (8) AN OWNER THAT ADMITS, IS FOUND LIABLE OR FAILS TO  
6 RESPOND TO THE NOTICE OF VIOLATION FOR A VIOLATION OF THIS  
7 SECTION SHALL BE CIVILLY LIABLE TO THE COMMISSION FOR ALL OF  
8 THE FOLLOWING:

9 (I) EITHER:

10 (A) THE AMOUNT OF THE TOLL EVADED OR ATTEMPTED  
11 TO BE EVADED IF THE AMOUNT CAN BE DETERMINED; OR

12 (B) THE MAXIMUM TOLL FROM THE FARTHEST POINT OF  
13 ENTRY ON THE PENNSYLVANIA TURNPIKE TO THE ACTUAL  
14 POINT OF EXIT IF THE AMOUNT OF THE TOLL EVADED OR  
15 ATTEMPTED TO BE EVADED CANNOT BE DETERMINED.

16 (II) A REASONABLE ADMINISTRATIVE FEE NOT TO EXCEED  
17 \$35 PER NOTIFICATION.

18 (9) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO LIMIT  
19 THE LIABILITY OF THE OPERATOR OF A VEHICLE FOR A VIOLATION OF  
20 THIS SECTION OR OF THE REGULATIONS OF THE COMMISSION.

21 (C) PLACEMENT OF ELECTRONIC TOLL COLLECTION DEVICE.--AN  
22 ELECTRONIC TOLL COLLECTION DEVICE WHICH IS AFFIXED TO THE FRONT  
23 WINDSHIELD OF A VEHICLE IN ACCORDANCE WITH THE REGULATIONS OF  
24 THE COMMISSION SHALL NOT BE DEEMED TO CONSTITUTE A VIOLATION OF  
25 75 PA.C.S. § 4524 (RELATING TO WINDSHIELD OBSTRUCTIONS AND  
26 WIPERS).

27 (D) PRIVACY OF ELECTRONIC TOLL COLLECTION ACCOUNT HOLDER  
28 INFORMATION.--

29 (1) EXCEPT AS SET FORTH PARAGRAPH (2), NOTWITHSTANDING  
30 ANY OTHER PROVISION OF LAW, ALL OF THE FOLLOWING APPLY TO

1 INFORMATION KEPT BY THE COMMISSION, ITS AUTHORIZED AGENTS OR  
2 ITS EMPLOYEES WHICH IS RELATED TO THE ACCOUNT OF AN  
3 ELECTRONIC TOLL COLLECTION SYSTEM ACCOUNT HOLDER:

4 (I) THE INFORMATION SHALL BE FOR THE EXCLUSIVE USE  
5 OF THE COMMISSION, ITS AUTHORIZED AGENTS, ITS EMPLOYEES  
6 AND LAW ENFORCEMENT OFFICIALS FOR THE PURPOSE OF  
7 DISCHARGING THEIR DUTIES PURSUANT TO THIS SECTION AND THE  
8 REGULATIONS OF THE COMMISSION. THIS SUBPARAGRAPH INCLUDES  
9 NAMES, ADDRESSES, ACCOUNT NUMBERS, ACCOUNT BALANCES,  
10 PERSONAL FINANCIAL INFORMATION, VEHICLE MOVEMENT RECORDS  
11 AND OTHER INFORMATION COMPILED FROM TRANSACTIONS WITH THE  
12 ACCOUNT HOLDERS.

13 (II) THE INFORMATION SHALL NOT BE DEEMED A PUBLIC  
14 RECORD UNDER THE RIGHT-TO-KNOW LAW, NOR SHALL IT BE  
15 DISCOVERABLE BY COURT ORDER OR OTHERWISE OR BE OFFERED IN  
16 EVIDENCE IN ANY ACTION OR PROCEEDING WHICH IS NOT  
17 DIRECTLY RELATED TO THE DISCHARGE OF DUTIES UNDER THIS  
18 SECTION, THE REGULATIONS OF THE COMMISSION OR A VIOLATION  
19 OF AN ACCOUNT HOLDER AGREEMENT.

20 (2) PARAGRAPH (1) SHALL NOT BE DEEMED TO DO ANY OF THE  
21 FOLLOWING:

22 (I) PRECLUDE A COURT OF COMPETENT JURISDICTION FROM  
23 ISSUING AN ORDER DIRECTING THAT THE INFORMATION BE  
24 PROVIDED TO LAW ENFORCEMENT OFFICIALS IF THE INFORMATION  
25 IS REASONABLY DESCRIBED AND IS REQUESTED SOLELY IN  
26 CONNECTION WITH A CRIMINAL LAW ENFORCEMENT ACTION.

27 (II) PRECLUDE THE EXCHANGE OF THE INFORMATION  
28 BETWEEN ANY ENTITIES WITH JURISDICTION OVER OR WHICH  
29 OPERATE AN ELECTRONIC TOLL COLLECTION SYSTEM IN THIS  
30 COMMONWEALTH OR ANY OTHER JURISDICTION.

1           (III) PROHIBIT THE USE OF THE INFORMATION  
2           EXCLUSIVELY FOR THE PURPOSE OF BILLING ELECTRONIC TOLL  
3           COLLECTION ACCOUNT HOLDERS, DEDUCTING TOLL CHARGES FROM  
4           THE ACCOUNT OF AN ACCOUNT HOLDER, ENFORCING TOLL  
5           COLLECTION LAWS AND RELATED REGULATIONS OR ENFORCING THE  
6           PROVISIONS OF AN ACCOUNT HOLDER AGREEMENT.

7           (E) DEFINITION.--AS USED IN THIS SECTION, THE TERM "OWNER"  
8           MEANS ANY PERSON, CORPORATION, FIRM, PARTNERSHIP, AGENCY,  
9           ASSOCIATION, ORGANIZATION OR LESSOR THAT, AT THE TIME A VEHICLE  
10           IS OPERATED IN VIOLATION OF THIS SECTION OR REGULATIONS OF THE  
11           COMMISSION:

12           (1) IS THE BENEFICIAL OR EQUITABLE OWNER OF THE VEHICLE;

13           (2) HAS TITLE TO THE VEHICLE; OR

14           (3) IS THE REGISTRANT OR COREGISTRANT OF THE VEHICLE  
15           REGISTERED WITH THE DEPARTMENT OR A COMPARABLE AGENCY OF  
16           ANOTHER JURISDICTION OR USES THE VEHICLE IN ITS VEHICLE  
17           RENTING OR LEASING BUSINESS. THE TERM INCLUDES A PERSON  
18           ENTITLED TO THE USE AND POSSESSION OF A VEHICLE SUBJECT TO A  
19           SECURITY INTEREST IN ANOTHER PERSON.

20           § 8118. REFUNDING BONDS.

21           THE COMMISSION IS AUTHORIZED TO PROVIDE, BY RESOLUTION, FOR  
22           THE ISSUANCE OF TURNPIKE REVENUE REFUNDING BONDS FOR THE PURPOSE  
23           OF REFUNDING ISSUED AND OUTSTANDING TURNPIKE REVENUE BONDS,  
24           NOTES OR OTHER OBLIGATIONS. APPLICABLE PROVISIONS OF THIS  
25           CHAPTER GOVERN ALL OF THE FOLLOWING:

26           (1) ISSUANCE OF THE TURNPIKE REVENUE REFUNDING BONDS.

27           (2) MATURITIES AND OTHER DETAILS OF THE REFUNDING BONDS.

28           (3) RIGHTS OF THE HOLDERS OF THE BONDS.

29           (4) DUTIES OF THE COMMONWEALTH AND OF THE COMMISSION IN  
30           RESPECT TO THE BONDS.

1 § 8119. RIGHTS OF OBLIGATION HOLDERS AND TRUSTEES.

2 (A) SCOPE.--THIS SECTION APPLIES TO ALL OF THE FOLLOWING:

3 (1) A HOLDER OF:

4 (I) A BOND, NOTE OR OTHER OBLIGATION ISSUED UNDER  
5 THIS CHAPTER; OR

6 (II) A COUPON ATTACHED TO THE BOND, NOTE OR OTHER  
7 OBLIGATION.

8 (2) THE TRUSTEE UNDER AN APPLICABLE TRUST INDENTURE.

9 (B) ENFORCEMENT.--SUBJECT TO SUBSECTION (C), A PERSON  
10 REFERRED TO IN SUBSECTION (A) MAY, BY AN ACTION AT LAW OR IN  
11 EQUITY, DO ALL OF THE FOLLOWING:

12 (1) PROTECT AND ENFORCE RIGHTS GRANTED UNDER THIS  
13 CHAPTER OR UNDER THE RESOLUTION OR TRUST INDENTURE.

14 (2) ENFORCE AND COMPEL PERFORMANCE OF ALL DUTIES  
15 REQUIRED BY THIS CHAPTER OR BY THE RESOLUTION OR TRUST  
16 INDENTURE TO BE PERFORMED BY THE COMMISSION OR AN OFFICER OF  
17 THE COMMISSION. THIS PARAGRAPH INCLUDES FIXING, CHARGING AND  
18 COLLECTING OF TOLLS FOR THE USE OF THE TURNPIKES.

19 (C) RESTRICTION.--RIGHTS UNDER THIS CHAPTER MAY BE  
20 RESTRICTED BY RESOLUTION PASSED BEFORE THE ISSUANCE OF THE BOND,  
21 NOTE OR OTHER OBLIGATION OR BY THE TRUST INDENTURE.

22 § 8120. AUTHORITY GRANTED TO SECRETARY.

23 (A) AGREEMENT WITH FEDERAL GOVERNMENT.--

24 (1) THE SECRETARY IS AUTHORIZED TO ENTER INTO AN  
25 AGREEMENT WITH THE UNITED STATES DEPARTMENT OF  
26 TRANSPORTATION, THE FEDERAL HIGHWAY ADMINISTRATION AND ANY  
27 OTHER FEDERAL AGENCY TO OBTAIN FEDERAL FUNDS FOR PROJECTS FOR  
28 RESURFACING, RESTORING AND REHABILITATING TOLL ROADS IN THIS  
29 COMMONWEALTH. THE COMMISSION IS AUTHORIZED TO USE FEDERAL  
30 FUNDS WHICH MAY BE AVAILABLE FOR TOLL ROADS ONLY UPON

1 APPROVAL OF THE SECRETARY AND ONLY UNDER THE AUTHORITY  
2 GRANTED UNDER THIS SECTION.

3 (2) (RESERVED).

4 (B) APPROVAL BY DEPARTMENT.--A COPY OF EACH CONTRACT AND  
5 AGREEMENT RELATING TO THE CONSTRUCTION OF THE TURNPIKES AND  
6 CONNECTING TUNNELS, BRIDGES, SLIP INTERCHANGES AND SLIP RAMPS  
7 SHALL BE PROVIDED TO THE DEPARTMENT FOR REVIEW AND COMMENT PRIOR  
8 TO EXECUTION OF THIS CONTRACT OR AGREEMENT.

9 § 8121. (RESERVED).

10 § 8122. (RESERVED).

11 § 8123. CONSTRUCTION OF CHAPTER.

12 THIS CHAPTER SHALL BE REGARDED AS SUPPLEMENTAL AND ADDITIONAL  
13 TO POWERS CONFERRED BY OTHER STATUTES AND SHALL NOT BE REGARDED  
14 AS IN DEROGATION OF ANY POWERS NOW EXISTING AND SHALL BE  
15 LIBERALLY CONSTRUED TO EFFECT ITS PURPOSES.

16 CHAPTER 82

17 TURNPIKE COMMISSION STANDARDS OF CONDUCT

18 SEC.

19 8201. SCOPE.

20 8202. DEFINITIONS.

21 8203. QUALIFICATIONS, RESTRICTIONS AND DUTIES OF COMMISSION

22 MEMBERS AND EMPLOYEES.

23 8204. CODE OF CONDUCT.

24 8205. APPLICABILITY OF OTHER STATUTES.

25 § 8201. SCOPE.

26 THIS CHAPTER SHALL APPLY TO THE PENNSYLVANIA TURNPIKE  
27 COMMISSION FORMED OR MAINTAINED UNDER AUTHORITY OF THE ACT OF  
28 MAY 21, 1937 (P.L.774, NO.211), REFERRED TO AS THE PENNSYLVANIA  
29 TURNPIKE COMMISSION ACT AND THE ACT OF SEPTEMBER 30, 1985  
30 (P.L.240, NO.61), KNOWN AS THE TURNPIKE ORGANIZATION, EXTENSION

1 AND TOLL ROAD CONVERSION ACT, OR ANY SUCCESSOR ENTITY.

2 § 8202. DEFINITIONS.

3 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER  
4 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
5 CONTEXT CLEARLY INDICATES OTHERWISE:

6 "BUSINESS." ANY CORPORATION, PARTNERSHIP, SOLE  
7 PROPRIETORSHIP, FIRM, ENTERPRISE, FRANCHISE, ASSOCIATION,  
8 ORGANIZATION, SELF-EMPLOYED INDIVIDUAL, HOLDING COMPANY, JOINT  
9 STOCK COMPANY, RECEIVERSHIP, TRUST OR ANY LEGAL ENTITY ORGANIZED  
10 FOR PROFIT.

11 "COMMISSION." THE PENNSYLVANIA TURNPIKE COMMISSION.

12 "EXECUTIVE-LEVEL EMPLOYEE." THE CHIEF EXECUTIVE OFFICER,  
13 CHIEF FINANCIAL OFFICER, CHIEF OPERATING OFFICER, CHIEF COUNSEL  
14 OR ANY OTHER SENIOR MANAGEMENT EMPLOYEE WITH DISCRETIONARY  
15 POWERS WHICH MAY AFFECT THE OUTCOME OF A PENNSYLVANIA TURNPIKE  
16 COMMISSION ACTION OR DECISION OR WHO FUNCTIONS IN PRESS OR  
17 PUBLIC RELATIONS, LEGISLATIVE LIAISON OR DEVELOPMENT OF  
18 EXECUTIVE POLICY.

19 "FACILITY." REST AREAS, SERVICE PLAZAS, RESTAURANTS, FUELING  
20 STATIONS, TRAFFIC ADVISORY SYSTEMS, CALL BOXES OR OTHER SERVICES  
21 PROVIDED TO PERSONS USING TOLL ROADS OR HIGHWAYS OPERATED BY THE  
22 PENNSYLVANIA TURNPIKE COMMISSION.

23 "IMMEDIATE FAMILY." A SPOUSE, PARENT, BROTHER, SISTER OR  
24 CHILD.

25 "MEMBER." A COMMISSIONER APPOINTED TO THE PENNSYLVANIA  
26 TURNPIKE COMMISSION, INCLUDING THE SECRETARY OF TRANSPORTATION,  
27 AND ANY SUCCESSOR ENTITY THERETO.

28 "OWNERSHIP INTEREST." OWNING OR HOLDING, OR BEING DEEMED TO  
29 HOLD, DEBT OR EQUITY SECURITIES OR OTHER OWNERSHIP INTEREST OR  
30 PROFIT INTEREST.

1 "PARTY OFFICER." A MEMBER OF A NATIONAL COMMITTEE; A  
2 CHAIRMAN, VICE CHAIRMAN, SECRETARY, TREASURER OR COUNSEL OF A  
3 STATE COMMITTEE OR MEMBER OF THE EXECUTIVE COMMITTEE OF A STATE  
4 COMMITTEE; OR A COUNTY CHAIRMAN, VICE CHAIRMAN, COUNSEL,  
5 SECRETARY OR TREASURER OF A COUNTY COMMITTEE OR A CITY CHAIRMAN,  
6 VICE CHAIRMAN, COUNSEL, SECRETARY OR TREASURER OF A CITY  
7 COMMITTEE.

8 "PENNSYLVANIA TURNPIKE COMMISSION." AN ENTITY FORMED OR  
9 MAINTAINED UNDER AUTHORITY OF THE ACT OF MAY 21, 1937 (P.L.774,  
10 NO.211), REFERRED TO AS THE PENNSYLVANIA TURNPIKE COMMISSION  
11 ACT, AND THE ACT OF SEPTEMBER 30, 1985 (P.L.240, NO.61), KNOWN  
12 AS THE TURNPIKE ORGANIZATION, EXTENSION AND TOLL ROAD CONVERSION  
13 ACT, OR ANY SUCCESSOR ENTITY.

14 § 8203. QUALIFICATIONS, RESTRICTIONS AND DUTIES OF COMMISSION  
15 MEMBERS AND EMPLOYEES.

16 (A) GENERAL RULE.--THE FOLLOWING QUALIFICATIONS AND  
17 RESTRICTIONS SHALL APPLY TO MEMBERS AND EXECUTIVE-LEVEL  
18 EMPLOYEES:

19 (1) A MEMBER SHALL BE AT LEAST 25 YEARS OF AGE AND SHALL  
20 HAVE BEEN A RESIDENT OF THIS COMMONWEALTH FOR A PERIOD OF AT  
21 LEAST ONE YEAR IMMEDIATELY PRECEDING APPOINTMENT. EACH MEMBER  
22 SHALL CONTINUE TO REMAIN A RESIDENT OF THIS COMMONWEALTH  
23 DURING THE TERM OF MEMBERSHIP ON THE COMMISSION.

24 (2) EXCEPT FOR THE SECRETARY OF TRANSPORTATION, NO  
25 PERSON SHALL BE APPOINTED OR SERVE AS A MEMBER OR HOLD AN  
26 EXECUTIVE-LEVEL POSITION IF THAT PERSON HOLDS ANY OTHER  
27 ELECTED OFFICE OR PARTY OFFICE.

28 (3) NO MEMBER OR EXECUTIVE-LEVEL EMPLOYEE SHALL BE A  
29 PUBLIC OFFICIAL OR PARTY OFFICER IN THIS COMMONWEALTH OR ANY  
30 OF ITS POLITICAL SUBDIVISIONS.



1           (4) (I) NO MEMBER OR EXECUTIVE-LEVEL EMPLOYEE SHALL BE  
2           PAID OR RECEIVE ANY FEE OR OTHER COMPENSATION OTHER THAN  
3           SALARY AND EXPENSES PROVIDED BY LAW FOR ANY ACTIVITY  
4           DIRECTLY PERTAINING TO THE DUTIES OF THE COMMISSION.

5           (II) NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO  
6           PROHIBIT A MEMBER OR EXECUTIVE-LEVEL EMPLOYEE FROM  
7           ENGAGING IN ANY EMPLOYMENT OR VOCATION THAT IS NOT  
8           INCOMPATIBLE WITH SERVICE AS A MEMBER OR EXECUTIVE-LEVEL  
9           EMPLOYEE.

10          (5) (I) AT THE TIME OF APPOINTMENT AND ANNUALLY  
11          THEREAFTER, EACH MEMBER SHALL DISCLOSE THE EXISTENCE OF  
12          ALL OWNERSHIP INTERESTS IN ANY FACILITY OR BUSINESS WITH  
13          WHICH THE COMMISSION HAS CONTRACTED FOR ROADWAY  
14          CONSTRUCTION OR MAINTENANCE OR SERVICES OF ANY KIND.

15          (II) THE DISCLOSURE STATEMENT SHALL BE FILED WITH  
16          THE CHIEF EXECUTIVE OFFICER OF THE COMMISSION AND SHALL  
17          BE OPEN TO INSPECTION BY THE PUBLIC AT THE OFFICE OF THE  
18          COMMISSION DURING NORMAL BUSINESS HOURS OF THE COMMISSION  
19          DURING THE TENURE OF THE MEMBER.

20          (B) FIDUCIARY RELATIONSHIP.--EACH MEMBER AND EXECUTIVE-LEVEL  
21          EMPLOYEE OF THE COMMISSION SHALL SERVE AS A FIDUCIARY OF THE  
22          COMMONWEALTH.

23          § 8204. CODE OF CONDUCT.

24          (A) CONTENTS.--THE COMMISSION SHALL ADOPT A COMPREHENSIVE  
25          CODE OF CONDUCT. THE CODE OF CONDUCT SHALL SUPPLEMENT ALL OTHER  
26          REQUIREMENTS UNDER THIS CHAPTER AND SHALL PROVIDE GUIDELINES  
27          APPLICABLE TO MEMBERS AND EXECUTIVE-LEVEL EMPLOYEES OF THE  
28          COMMISSION AND THE IMMEDIATE FAMILIES OF THE MEMBERS AND  
29          EXECUTIVE-LEVEL EMPLOYEES OF THE COMMISSION TO ENABLE THEM TO  
30          AVOID ANY PERCEIVED OR ACTUAL CONFLICT OF INTEREST AND TO

1 PROMOTE PUBLIC CONFIDENCE IN THE INTEGRITY AND IMPARTIALITY OF  
2 THE COMMISSION. AT A MINIMUM, THE CODE OF CONDUCT ADOPTED UNDER  
3 THIS SECTION SHALL PROVIDE THAT:

4 (1) NO MEMBER OR EXECUTIVE-LEVEL EMPLOYEE OF THE  
5 COMMISSION MAY ACCEPT ANY DISCOUNT, GIFT, GRATUITY,  
6 COMPENSATION, TRAVEL, LODGING OR OTHER THING OF VALUE,  
7 DIRECTLY OR INDIRECTLY, FROM ANY FACILITY OR BUSINESS WITH  
8 WHICH THE COMMISSION HAS A CONTRACTUAL RELATIONSHIP.

9 (2) MEMBERS AND EXECUTIVE-LEVEL EMPLOYEES OF THE  
10 COMMISSION SHALL REFRAIN FROM ANY FINANCIAL OR BUSINESS  
11 DEALING WHICH WOULD REFLECT ADVERSELY ON THE MEMBER'S  
12 OBJECTIVITY, IMPARTIALITY OR INDEPENDENCE OF JUDGMENT.

13 (3) (I) NO MEMBER OR EXECUTIVE-LEVEL EMPLOYEE MAY USE  
14 THE PROMISE OF BUSINESS WITH THE COMMISSION TO SOLICIT  
15 FUNDS FOR ANY CHARITABLE, EDUCATIONAL, RELIGIOUS, HEALTH,  
16 FRATERNAL, CIVIC OR OTHER NONPROFIT ENTITY.

17 (II) A MEMBER OR EXECUTIVE-LEVEL EMPLOYEE MAY SERVE  
18 AS AN OFFICER, EMPLOYEE OR MEMBER OF THE GOVERNING BODY  
19 OF A NONPROFIT ENTITY AND MAY ATTEND, MAKE PERSONAL  
20 CONTRIBUTIONS TO AND PLAN OR PRESIDE OVER THE ENTITY'S  
21 FUNDRAISING EVENTS.

22 (III) A MEMBER OR EXECUTIVE-LEVEL EMPLOYEE MAY  
23 PERMIT HIS NAME TO APPEAR ON THE LETTERHEAD USED FOR  
24 FUNDRAISING EVENTS IF THE LETTERHEAD CONTAINS ONLY THE  
25 MEMBER'S NAME AND POSITION WITH THE NONPROFIT ENTITY.

26 (4) NO MEMBER OR EXECUTIVE-LEVEL EMPLOYEE NOR THE  
27 IMMEDIATE FAMILY OF SUCH PERSON, SHALL PARTICIPATE IN ANY  
28 HEARING OR PROCEEDING IN WHICH THAT PERSON MAY HAVE A DIRECT  
29 OR INDIRECT PECUNIARY INTEREST.

30 (5) (I) A MEMBER SHALL ABSTAIN FROM ANY VOTE OR

1 DECISION WHICH AUTHORIZES A CONTRACT IN WHICH THE MEMBER  
2 HAS ANY PECUNIARY INTEREST. THE MEMBER SHALL DISCLOSE THE  
3 INTEREST IN A PUBLIC MEETING PRIOR TO THE VOTE OR  
4 DECISION.

5 (II) FAILURE TO COMPLY WITH THIS PARAGRAPH SHALL  
6 MAKE THE CONTRACT NULL AND VOID.

7 (6) NO MEMBER OR EXECUTIVE-LEVEL EMPLOYEE MAY ACCEPT  
8 EMPLOYMENT WITH ANY FACILITY OR BUSINESS WITH WHICH THE  
9 COMMISSION DOES BUSINESS FOR A PERIOD OF ONE YEAR FROM THE  
10 TERMINATION OF EMPLOYMENT OR SERVICE WITH THE COMMISSION.

11 (7) A MEMBER OF THE COMMISSION WHO HAS BEEN CONVICTED  
12 DURING HIS TERM IN ANY DOMESTIC OR FOREIGN JURISDICTION OF A  
13 FELONY OR A CRIME OF MORAL TURPITUDE SHALL, UPON CONVICTION,  
14 BE AUTOMATICALLY REMOVED FROM THE COMMISSION AND SHALL BE  
15 INELIGIBLE TO BECOME A COMMISSION MEMBER IN THE FUTURE.

16 (8) NO MEMBER MAY SOLICIT, REQUEST, SUGGEST OR RECOMMEND  
17 THE EMPLOYMENT, BY EITHER THE COMMISSION OR A CONTRACTOR WITH  
18 THE COMMISSION, OF ANY INDIVIDUAL RELATED WITHIN THE FIRST  
19 DEGREE OF CONSANGUINITY TO THE MEMBER AS SET FORTH IN 23  
20 PA.C.S. § 1304(E) (RELATING TO RESTRICTIONS ON ISSUANCE OF  
21 LICENSE) OR THE SPOUSE OF THE INDIVIDUAL.

22 (B) AUDIT.--

23 (1) AT LEAST ONCE EVERY FOUR YEARS, THE DEPARTMENT OF  
24 THE AUDITOR GENERAL SHALL REVIEW THE PERFORMANCE, PROCEDURES,  
25 OPERATING BUDGET, CAPITAL BUDGET AND DEBT OF THE COMMISSION  
26 AND SHALL AUDIT, SETTLE AND ADJUST THE ACCOUNTS OF THE  
27 COMMISSION.

28 (2) THE AUDITOR GENERAL SHALL BE ENTITLED TO GO BEYOND  
29 MERE FINANCIAL STATEMENTS, AND SHALL BE ENTITLED TO EXAMINE  
30 ORIGINAL SOURCE DOCUMENTS AT SUCH TIME AS IS BELIEVED

1       NECESSARY OR MAY OTHERWISE EXAMINE ORIGINAL DOCUMENTS ON A  
2       RANDOM BASIS DESIGNED TO ENSURE THE INTEGRITY OF THE AUDIT.  
3       § 8205. APPLICABILITY OF OTHER STATUTES.

4       (A) GENERAL RULE.--NOTWITHSTANDING ANY OTHER PROVISION OF  
5       LAW, THE FOLLOWING ACTS SHALL APPLY TO THE COMMISSION UNDER THIS  
6       CHAPTER:

7               (1) THE ACT OF JUNE 21, 1957 (P.L.390, NO.212), REFERRED  
8       TO AS THE RIGHT-TO-KNOW LAW.

9               (2) THE ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN  
10       AS THE STATE ADVERSE INTEREST ACT.

11               (3) THE PROVISIONS OF 65 PA.C.S. CHS. 7 (RELATING TO  
12       OPEN MEETINGS) AND 11 (RELATING TO ETHICS STANDARDS AND  
13       FINANCIAL DISCLOSURE).

14       (B) STATUS OF COMMISSION.--THE COMMISSION SHALL BE  
15       CONSIDERED AN "AGENCY" FOR THE PURPOSES OF THE FOLLOWING:

16               (1) THE ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED  
17       TO AS THE COMMONWEALTH DOCUMENTS LAW.

18               (2) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS  
19       THE REGULATORY REVIEW ACT.

20       SECTION 5. SECTION 8901 OF TITLE 75 IS AMENDED TO READ:

21       § 8901. 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  
24       CONTEXT CLEARLY INDICATES OTHERWISE:

25       "ANNUAL ADDITIONAL RENT." AS FOLLOWS:

26               (1) DURING THE CONVERSION PERIOD AND AFTER THE  
27       CONVERSION DATE, A SUM EQUAL TO THE SCHEDULED ANNUAL  
28       COMMISSION CONTRIBUTION, MINUS THE SUM OF:

29                       (I) \$200,000,000 PAID AS ANNUAL BASE PAYMENTS;

30                       (II) ANY INTERSTATE 80 SAVINGS FOR THAT FISCAL YEAR.

1           (2) IF THE CONVERSION PERIOD HAS EXPIRED AND A  
2           CONVERSION NOTICE HAS NOT BEEN RECEIVED BY THE SECRETARY, IN  
3           EACH SUBSEQUENT FISCAL YEAR UNTIL THE END OF THE TERM OF THE  
4           LEASE AGREEMENT THE ANNUAL ADDITIONAL PAYMENTS SHALL BE  
5           \$250,000,000.

6           "ANNUAL BASE PAYMENTS." AN AMOUNT EQUAL TO THE SUM OF THE  
7           FOLLOWING:

8           (1) ANNUAL DEBT SERVICE ON OUTSTANDING BONDS ISSUED  
9           UNDER SECTION 9511.2 (RELATING TO SPECIAL REVENUE BONDS)  
10           PAYABLE AS REQUIRED PURSUANT TO THE BONDS.

11           (2) TWO HUNDRED MILLION DOLLARS PAYABLE ANNUALLY IN FOUR  
12           EQUAL INSTALLMENTS EACH DUE THE LAST BUSINESS DAY OF EACH  
13           JULY, OCTOBER, JANUARY AND APRIL.

14           "ANNUAL SURPLUS PAYMENTS." AN AMOUNT EQUAL TO THE GENERAL  
15           RESERVE FUND SURPLUS PAYABLE FOR EACH FISCAL YEAR UNTIL THE END  
16           OF THE TERM OF THE LEASE AGREEMENT.

17           "AUDITOR GENERAL'S CERTIFICATE." THE CERTIFICATE ISSUED BY  
18           THE AUDITOR GENERAL WITHIN 180 DAYS AFTER THE END OF EACH FISCAL  
19           YEAR OF THE PENNSYLVANIA TURNPIKE COMMISSION CERTIFYING ALL OF  
20           THE FOLLOWING:

21           (1) THE AMOUNT OF THE GENERAL RESERVE FUND SURPLUS FOR  
22           THE FISCAL YEAR.

23           (2) AFTER REVIEW OF THE COMMISSION'S CURRENT TEN-YEAR  
24           CAPITAL PLAN, THAT THE TRANSFER OF THE GENERAL RESERVE FUND  
25           SURPLUS UNDER SECTION 8915.3 (RELATING TO LEASE OF INTERSTATE  
26           80) SHALL NOT IMPAIR THE ABILITY OF THE COMMISSION TO MEET  
27           ITS OBLIGATIONS UNDER THE LEASE AGREEMENT OR THE COMMISSION'S  
28           TEN-YEAR CAPITAL PLAN.

29           "COMMISSION." THE PENNSYLVANIA TURNPIKE COMMISSION.

30           "CONVERSION DATE." THE DATE SET FORTH IN THE CONVERSION

1 NOTICE WHEN THE PENNSYLVANIA TURNPIKE COMMISSION INTENDS TO  
2 EXERCISE ITS OPTION TO CONVERT INTERSTATE 80 TO A TOLL ROAD.

3 "CONVERSION NOTICE." WRITTEN NOTICE TO THE SECRETARY OF  
4 TRANSPORTATION FROM THE PENNSYLVANIA TURNPIKE COMMISSION  
5 PROVIDING NOTICE OF ITS INTENT TO ASSUME CONTROL OVER INTERSTATE  
6 80 UNDER SECTION 8915.3(3) (RELATING TO LEASE OF INTERSTATE 80).

7 "CONVERSION PERIOD." A PERIOD OF THREE YEARS:

8 (1) WHICH BEGINS ON THE DATE OF EXECUTION OF THE LEASE  
9 AGREEMENT; AND

10 (2) DURING WHICH THE PENNSYLVANIA TURNPIKE COMMISSION  
11 MAY GIVE THE DEPARTMENT OF TRANSPORTATION CONVERSION NOTICE  
12 OR NOTICE THAT THE COMMISSION HAS EXERCISED ITS OPTION TO  
13 EXTEND THE CONVERSION PERIOD PURSUANT TO SECTION 8915.3(2)  
14 (RELATING TO LEASE OF INTERSTATE 80).

15 "FISCAL YEAR." THE FISCAL YEAR OF THE COMMONWEALTH.

16 "GENERAL RESERVE FUND SURPLUS." THE AMOUNT WHICH:

17 (1) IS CERTIFIED BY THE AUDITOR GENERAL IN THE AUDITOR  
18 GENERAL'S CERTIFICATE AS EXISTING IN THE PENNSYLVANIA  
19 TURNPIKE COMMISSION'S GENERAL RESERVE FUND ON THE LAST DAY OF  
20 THE FISCAL YEAR; AND

21 (2) IS NOT REQUIRED TO BE RETAINED IN THE GENERAL  
22 RESERVE FUND PURSUANT TO ANY FINANCIAL DOCUMENTS, FINANCIAL  
23 COVENANTS, INSURANCE POLICIES, LIQUIDITY POLICIES OR  
24 AGREEMENTS IN EFFECT AT THE COMMISSION.

25 "INTERSTATE 80 SAVINGS." AN AMOUNT EQUAL TO THE FOLLOWING:

26 (1) PRIOR TO THE CONVERSION DATE, THE AMOUNT SHALL BE  
27 ZERO.

28 (2) IN THE FIRST FISCAL YEAR INCLUDING THE CONVERSION  
29 DATE, THE AMOUNT SHALL BE A PRO RATA SHARE OF \$116,985,856  
30 CALCULATED USING THE NUMBER OF CALENDAR DAYS IN THE YEAR

1 AFTER THE CONVERSION DATE DIVIDED BY 365 DAYS.

2 (3) IN THE FISCAL YEAR SUCCEEDING THE YEAR INCLUDING THE  
3 CONVERSION DATE, THE AMOUNT SHALL BE \$121,665,290.

4 (4) IN SUBSEQUENT FISCAL YEARS, THE AMOUNT SHALL BE THE  
5 AMOUNT CALCULATED FOR THE PREVIOUS YEAR INCREASED BY 4%.

6 "LEASE AGREEMENT." A LEASE AGREEMENT BETWEEN THE DEPARTMENT  
7 OF TRANSPORTATION AND THE PENNSYLVANIA TURNPIKE COMMISSION WHICH  
8 SHALL INCLUDE PROVISIONS SETTING FORTH THE TERMS OF THE  
9 CONVERSION OF INTERSTATE 80 TO A TOLL ROAD.

10 "SCHEDULED ANNUAL COMMISSION CONTRIBUTION." THE FOLLOWING  
11 AMOUNTS:

12 (1) \$700,000,000 IN FISCAL YEAR 2007-2008.

13 (2) \$850,000,000 IN FISCAL YEAR 2008-2009.

14 (3) \$900,000,000 IN FISCAL YEAR 2009-2010.

15 (4) FOR FISCAL YEAR 2010-2011, AND EACH FISCAL YEAR  
16 THEREAFTER, THE AMOUNT SHALL BE THE AMOUNT CALCULATED FOR THE  
17 PREVIOUS YEAR INCREASED BY 2.5%, EXCEPT THAT THE AMOUNT SHALL  
18 BE EQUAL TO THE ANNUAL BASE PAYMENTS PLUS \$250,000,000 IF THE  
19 CONVERSION NOTICE IS NOT RECEIVED BY THE SECRETARY PRIOR TO  
20 THE EXPIRATION OF THE CONVERSION PERIOD.

21 SECTION 6. SECTION 8911 INTRODUCTORY PARAGRAPH OF TITLE 75  
22 IS AMENDED AND THE SECTION IS AMENDED BY ADDING A PARAGRAPH TO  
23 READ:

24 § 8911. IMPROVEMENT AND EXTENSION AUTHORIZATIONS.

25 IN ORDER TO FACILITATE VEHICULAR TRAFFIC WITHIN AND ACROSS  
26 THIS COMMONWEALTH, THE COMMISSION IS HEREBY AUTHORIZED AND  
27 EMPOWERED TO CONSTRUCT, OPERATE AND MAINTAIN TURNPIKE EXTENSIONS  
28 AND TURNPIKE IMPROVEMENTS AT SUCH SPECIFIC LOCATIONS AND  
29 ACCORDING TO SUCH SCHEDULE AS SHALL BE DEEMED FEASIBLE AND  
30 APPROVED BY THE COMMISSION, TOGETHER WITH CONNECTING ROADS,

1 STORM WATER MANAGEMENT SYSTEMS, INTERCHANGES, SLIP RAMPS,  
2 TUNNELS AND BRIDGES, SUBJECT TO THE WAIVER OF THE FEDERAL TOLL  
3 PROHIBITION PROVISIONS WHERE APPLICABLE, AS FOLLOWS:

4 \* \* \*

5 (10) OTHER SLIP RAMPS AND INTERCHANGES AS THE COMMISSION  
6 MAY DETERMINE.

7 SECTION 7. SECTION 8915 INTRODUCTORY PARAGRAPH OF TITLE 75  
8 IS AMENDED TO READ:

9 § 8915. CONVERSION TO TOLL ROADS.

10 IN ORDER TO FACILITATE VEHICULAR TRAFFIC WITHIN AND ACROSS  
11 THIS COMMONWEALTH, AND [AFTER] TO FACILITATE THE COMPLETION OF  
12 THE TURNPIKE EXTENSIONS AND IMPROVEMENTS AUTHORIZED IN SECTION  
13 8911 (RELATING TO IMPROVEMENT AND EXTENSION AUTHORIZATIONS), AND  
14 SUBJECT TO PRIOR LEGISLATIVE APPROVAL BY THE GENERAL ASSEMBLY  
15 AND THE UNITED STATES CONGRESS, THE COMMISSION IS HEREBY  
16 AUTHORIZED AND EMPOWERED TO CONVERT TO TOLL ROADS SUCH PORTIONS  
17 OF PENNSYLVANIA'S INTERSTATE HIGHWAY SYSTEM AS MAY [BE REQUIRED  
18 IN ORDER TO] FACILITATE THE COMPLETION OF THE TURNPIKE  
19 EXTENSIONS AND IMPROVEMENTS AUTHORIZED IN SECTIONS 8912  
20 (RELATING TO SUBSEQUENT EXTENSION AUTHORIZATIONS), 8913  
21 (RELATING TO ADDITIONAL SUBSEQUENT EXTENSION AUTHORIZATIONS) AND  
22 8914 (RELATING TO FURTHER SUBSEQUENT AUTHORIZATIONS) AND TO  
23 OPERATE AND MAINTAIN SUCH CONVERTED INTERSTATES AS TOLL ROADS  
24 UPON THE APPROVAL BY THE CONGRESS OF THE UNITED STATES OF  
25 AMERICA AND THE GENERAL ASSEMBLY OF THIS COMMONWEALTH OF  
26 LEGISLATION EXPRESSLY PERMITTING THE CONVERSION OF SUCH  
27 INTERSTATES TO TOLL ROADS. SUCH CONVERSIONS SHALL TAKE PLACE AT  
28 A TIME AND MANNER SET FORTH IN THE PLAN FOR THE CONVERSION  
29 PREPARED BY THE COMMISSION WITH THE COOPERATION OF THE  
30 DEPARTMENT. THE PROVISIONS AUTHORIZING THE COMMISSION TO



1 CONSTRUCT, OPERATE AND MAINTAIN THE TURNPIKE ROUTES IN SECTIONS  
2 8911, 8912 AND 8913 SHALL BE SUBJECT TO:

3 \* \* \*

4 SECTION 8. TITLE 75 IS AMENDED BY ADDING SECTIONS TO READ:

5 § 8915.1. CONVERSION OF INTERSTATE 80.

6 IN ORDER TO FACILITATE VEHICULAR TRAFFIC ACROSS THIS  
7 COMMONWEALTH, THE COMMISSION IS AUTHORIZED AND EMPOWERED TO DO  
8 ALL OF THE FOLLOWING:

9 (1) CONVERT INTERSTATE 80 TO A TOLL ROAD AND MAINTAIN  
10 AND OPERATE IT AS A TOLL ROAD.

11 (2) CONSTRUCT, RECONSTRUCT, WIDEN, EXPAND, EXTEND,  
12 OPERATE, MAINTAIN AND MAINTAIN AND OPERATE INTERSTATE 80 FROM  
13 A POINT AT OR NEAR THE OHIO BORDER TO A POINT AT OR NEAR THE  
14 NEW JERSEY BORDER, TOGETHER WITH CONNECTING ROADS,  
15 INTERCHANGES, SLIP RAMPS, TUNNELS AND BRIDGES.

16 (3) ISSUE TURNPIKE REVENUE BONDS, NOTES OR OTHER  
17 OBLIGATIONS, PAYABLE SOLELY FROM REVENUES OF THE COMMISSION,  
18 INCLUDING TOLLS, OR FROM FUNDS AS MAY BE AVAILABLE TO THE  
19 COMMISSION FOR THAT PURPOSE, TO PAY THE COST OF CONSTRUCTION,  
20 RECONSTRUCTING, WIDENING, EXPANDING OR EXTENDING OR ANY OTHER  
21 COSTS OF INTERSTATE 80 AND THE PENNSYLVANIA TURNPIKE.

22 § 8915.2. APPLICATION TO UNITED STATES DEPARTMENT OF  
23 TRANSPORTATION.

24 (A) APPLICATION.--THE COMMISSION, IN CONSULTATION WITH THE  
25 DEPARTMENT AND AT ITS OWN EXPENSE, IS AUTHORIZED TO PREPARE AND  
26 SUBMIT AN APPLICATION TO THE UNITED STATES DEPARTMENT OF  
27 TRANSPORTATION FOR THE CONVERSION OF INTERSTATE 80 TO A TOLL  
28 ROAD. THE SECRETARY SHALL ENSURE THAT ALL INFORMATION REQUIRED  
29 FOR THE APPLICATION IS MADE AVAILABLE TO THE COMMISSION AS SOON  
30 AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS SECTION.

1 (B) OPEN SYSTEM.--A TOLL SYSTEM SHALL CONSIST OF WHAT IS  
2 COMMONLY REFERRED TO AS AN OPEN SYSTEM WITH NO MORE THAN TEN  
3 TOLL COLLECTION POINTS.

4 (C) OTHER AGREEMENTS.--THE COMMISSION AND THE DEPARTMENT MAY  
5 ENTER INTO ANY OTHER AGREEMENTS AS MAY BE NECESSARY TO  
6 EFFECTUATE THE EXECUTION OF THE APPLICATION FILED UNDER THIS  
7 SECTION.

8 § 8915.3. LEASE OF INTERSTATE 80; RELATED AGREEMENTS.

9 THE DEPARTMENT AND THE COMMISSION SHALL ENTER INTO A LEASE  
10 AGREEMENT RELATING TO INTERSTATE 80 PRIOR TO OCTOBER 15, 2007.  
11 THE LEASE AGREEMENT SHALL INCLUDE PROVISIONS SETTING FORTH THE  
12 TERMS AND CONDITIONS OF THE CONVERSION OF INTERSTATE 80 TO A  
13 TOLL ROAD. THE LEASE AGREEMENT AND ANY RELATED AGREEMENT, AT A  
14 MINIMUM, SHALL INCLUDE THE FOLLOWING:

15 (1) A PROVISION THAT THE TERM OF THE LEASE AGREEMENT  
16 SHALL BE 50 YEARS, UNLESS EXTENDED UPON MUTUAL AGREEMENT OF  
17 THE PARTIES TO THE LEASE AGREEMENT.

18 (2) A PROVISION ESTABLISHING A CONVERSION PERIOD AND  
19 AUTHORIZING EXTENSION OF THE CONVERSION PERIOD AT THE SOLE  
20 OPTION OF THE COMMISSION FOR THREE ONE-YEAR EXTENSION PERIODS  
21 AFTER CONSULTATION WITH THE SECRETARY. THE COMMISSION SHALL  
22 NOTIFY THE SECRETARY OF ITS INTENT TO EXTEND THE CONVERSION  
23 PERIOD NOT LESS THAN 90 DAYS BEFORE THE SCHEDULED EXPIRATION  
24 OF THE CONVERSION PERIOD. DURING THE CONVERSION PERIOD, ALL  
25 LEGAL, FINANCIAL AND OPERATIONAL RESPONSIBILITY FOR  
26 INTERSTATE 80 SHALL REMAIN WITH THE DEPARTMENT. ALL  
27 OPERATIONS AND PROGRAMMED REHABILITATION SHALL BE MAINTAINED  
28 AT LEVELS NO LESS FAVORABLE THAN THOSE SET FORTH IN THE  
29 DEPARTMENT'S 12-YEAR PLAN AT THE TIME OF THE EXECUTION OF THE  
30 LEASE, WITH MODIFICATIONS AS ARE APPROVED IN WRITING BY THE

1 CHAIRMAN OF THE COMMISSION.

2 (3) A PROVISION PERMITTING THE COMMISSION TO EXERCISE  
3 ITS OPTION TO CONVERT INTERSTATE 80 TO A TOLL ROAD PRIOR TO  
4 THE EXPIRATION OF THE CONVERSION PERIOD BY PROVIDING THE  
5 CONVERSION NOTICE TO THE SECRETARY. BEGINNING ON THE  
6 CONVERSION DATE, ALL LEGAL, FINANCIAL AND OPERATIONAL  
7 RESPONSIBILITY FOR INTERSTATE 80, AS WELL AS ALL TOLL  
8 REVENUES SUBSEQUENTLY COLLECTED WITH RESPECT TO ITS USE,  
9 SHALL AUTOMATICALLY TRANSFER TO THE COMMISSION. THE  
10 SECRETARY, WITHIN FIVE BUSINESS DAYS AFTER RECEIVING THE  
11 CONVERSION NOTICE, SHALL FORWARD NOTICE OF THE CONVERSION  
12 DATE TO THE LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION IN  
13 THE PENNSYLVANIA BULLETIN. ANY REVENUES COLLECTED PRIOR TO  
14 THE CONVERSION DATE SHALL BE RETAINED BY THE DEPARTMENT. THE  
15 COMMISSION MAY CONTRACT WITH THE DEPARTMENT FOR ANY PORTION  
16 OF THE MAINTENANCE OF INTERSTATE 80 AT COST LEVELS AGREED TO  
17 BY THE DEPARTMENT AND THE COMMISSION.

18 (4) A PROVISION REQUIRING THE COMMISSION TO PAY ANNUAL  
19 BASE PAYMENTS TO THE DEPARTMENT DURING THE TERM OF THE LEASE  
20 AGREEMENT.

21 (5) A PROVISION REQUIRING THE COMMISSION TO PAY ANNUAL  
22 ADDITIONAL PAYMENTS TO THE DEPARTMENT. THE ANNUAL ADDITIONAL  
23 PAYMENTS SHALL BE PAYABLE IN FOUR EQUAL INSTALLMENTS ON THE  
24 LAST BUSINESS DAY OF EACH JULY, OCTOBER, JANUARY AND APRIL OF  
25 EACH YEAR DURING THE TERM OF THE LEASE AGREEMENT.

26 (6) A PROVISION REQUIRING THE COMMISSION TO PAY,  
27 COMMENCING IN THE FISCAL YEAR INCLUDING THE CONVERSION DATE,  
28 ANNUAL SURPLUS PAYMENTS TO THE DEPARTMENT. THE ANNUAL SURPLUS  
29 PAYMENTS SHALL BE PAYABLE BY THE COMMISSION WITHIN 30 DAYS OF  
30 RECEIPT BY THE COMMISSION OF THE AUDITOR GENERAL'S

1 CERTIFICATE.

2 (7) A PROVISION STATING THAT THE OBLIGATION OF THE  
3 COMMISSION TO PAY THE ANNUAL BASE PAYMENTS, THE ANNUAL  
4 ADDITIONAL PAYMENTS AND ANNUAL SURPLUS PAYMENTS SHALL BE A  
5 SUBORDINATE OBLIGATION OF THE COMMISSION PAYABLE FROM AMOUNTS  
6 IN THE GENERAL RESERVE FUND OF THE COMMISSION ONLY AS  
7 PERMITTED BY ANY FINANCING DOCUMENTS, FINANCIAL COVENANTS,  
8 LIQUIDITY POLICIES OR AGREEMENTS IN EFFECT AT THE COMMISSION.

9 § 8915.4. INITIAL PAYMENT.

10 (A) COMMISSION PAYMENT REQUIRED.--WITHIN 20 DAYS AFTER THE  
11 EFFECTIVE DATE OF THIS SECTION, THE COMMISSION SHALL PAY TO THE  
12 DEPARTMENT AN AMOUNT EQUAL TO \$62,500,000, WHICH SHALL BE  
13 DEPOSITED INTO THE PUBLIC TRANSPORTATION TRUST FUND. THE AMOUNT  
14 PAID SHALL REPRESENT 25% OF THE AMOUNT THE DEPARTMENT IS  
15 REQUIRED TO DEPOSIT INTO THE PUBLIC TRANSPORTATION TRUST FUND  
16 UNDER 74 PA.C.S. § 1506(B)(1)(I)(A) (RELATING TO FUND) AND  
17 PAYABLE BY THE COMMISSION UNDER THE LEASE AGREEMENT REQUIRED TO  
18 BE EXECUTED BETWEEN THE COMMISSION AND THE DEPARTMENT UNDER  
19 SECTION 8915.3 (RELATING TO LEASE OF INTERSTATE 80).

20 (B) USE OF PAYMENT.--THE DEPARTMENT SHALL ALLOCATE THE FUNDS  
21 RECEIVED UNDER SUBSECTION (A) AS PRESCRIBED UNDER 74 PA.C.S. §  
22 1506.

23 (C) CREDITS.--THE PAYMENT MADE BY THE COMMISSION UNDER THIS  
24 SECTION SHALL BE CREDITED AGAINST THE TOTAL AMOUNT OWED BY THE  
25 COMMISSION UNDER THE LEASE AGREEMENT FOR THE 2007-2008 FISCAL  
26 YEAR.

27 § 8915.5. OTHER INTERSTATE HIGHWAYS.

28 IN ORDER TO FACILITATE VEHICULAR TRAFFIC ACROSS THIS  
29 COMMONWEALTH AND PURSUANT TO THE AUTHORITY GRANTED UNDER THIS  
30 CHAPTER, THE COMMISSION IS HEREBY AUTHORIZED AND EMPOWERED TO:

1           (1) AT ITS OWN EXPENSE AND IN CONSULTATION WITH THE  
2           DEPARTMENT, PREPARE A CONSULTING CIVIL ENGINEER REPORT AND  
3           FINANCIAL ANALYSIS WITH RESPECT TO THE FEASIBILITY OF  
4           CONVERTING ANY INTERSTATE HIGHWAY OR INTERSTATE HIGHWAY  
5           SEGMENT TO A TOLL ROAD OR ADDING TO SAID INTERSTATES  
6           ADDITIONAL CAPACITY PROJECTS FINANCED BY TOLLS; AND

7           (2) AT ITS OWN EXPENSE, AND IN CONSULTATION WITH THE  
8           DEPARTMENT AND WITH APPROVAL OF THE GENERAL ASSEMBLY, PREPARE  
9           AND SUBMIT AN APPLICATION TO THE UNITED STATES DEPARTMENT OF  
10           TRANSPORTATION FOR THE CONVERSION OF ANY INTERSTATE OR  
11           INTERSTATE SEGMENT DETERMINED TO BE ELIGIBLE FOR CONVERSION  
12           TO A TOLL ROAD UNDER ANY APPLICABLE FEDERAL PROGRAM.

13 § 8915.6. DEPOSIT AND DISTRIBUTION OF FUNDS.

14           (A) DEPOSITS.--THE FOLLOWING AMOUNTS FROM THE SCHEDULED  
15           ANNUAL COMMISSION CONTRIBUTION SHALL BE DEPOSITED IN THE MOTOR  
16           LICENSE FUND:

17                   (1) FOR FISCAL YEAR 2007-2008, \$450,000,000.

18                   (2) FOR FISCAL YEAR 2008-2009, \$500,000,000.

19                   (3) FOR FISCAL YEAR 2009-2010, \$500,000,000.

20                   (4) FOR FISCAL YEAR 2010-2011 AND EACH FISCAL YEAR  
21           THEREAFTER, THE AMOUNT CALCULATED FOR THE PREVIOUS YEAR  
22           INCREASED BY 2.5%.

23           (B) DISTRIBUTION.--THE FOLLOWING SHALL APPLY:

24                   (1) ANNUALLY, 15% OF THE AMOUNT DEPOSITED IN ANY FISCAL  
25           YEAR UNDER SUBSECTION (A) SHALL BE DISTRIBUTED AT THE  
26           DISCRETION OF THE SECRETARY.

27                   (2) ANNUALLY, \$5,000,000 OF THE AMOUNT DEPOSITED IN ANY  
28           FISCAL YEAR UNDER SUBSECTION (A) SHALL BE DISTRIBUTED TO  
29           COUNTIES.

30                   (I) THE DISTRIBUTION SHALL BE IN THE RATIO OF:

1                   (A) THE SQUARE FOOTAGE OF DECK AREA OF A  
2                   COUNTY'S COUNTY-OWNED BRIDGES; TO

3                   (B) THE TOTAL SQUARE FOOTAGE OF DECK AREA OF  
4                   COUNTY-OWNED BRIDGES THROUGHOUT THIS COMMONWEALTH.

5                   (II) THE AMOUNT OF SQUARE FOOTAGE UNDER SUBPARAGRAPH  
6                   (I) SHALL BE THAT REPORTED AS PART OF THE NATIONAL BRIDGE  
7                   INSPECTION STANDARDS PROGRAM.

8                   (3) ANNUALLY, \$30,000,000 OF THE AMOUNT DEPOSITED IN ANY  
9                   FISCAL YEAR UNDER SUBSECTION (A) SHALL BE DISTRIBUTED TO  
10                  MUNICIPALITIES PURSUANT TO THE ACT OF JUNE 1, 1956 (1955  
11                  P.L.1944, NO.655), REFERRED TO AS THE LIQUID FUELS TAX  
12                  MUNICIPAL ALLOCATION LAW.

13                  (4) ANY FUNDS DEPOSITED UNDER SUBSECTION (A) BUT NOT  
14                  DISTRIBUTED UNDER PARAGRAPHS (1), (2) AND (3) SHALL BE  
15                  DISTRIBUTED IN ACCORDANCE WITH NEEDS-BASED FORMULAS THAT ARE  
16                  DEVELOPED AND SUBJECT TO PERIODIC REVISION BASED ON  
17                  CONSULTATION AND COLLABORATION AMONG METROPOLITAN PLANNING  
18                  ORGANIZATIONS, RURAL PLANNING ORGANIZATIONS AND THE  
19                  DEPARTMENT.

20                  (C) DEFINITIONS.--THE FOLLOWING WORDS AND PHRASES WHEN USED  
21                  IN THIS SECTION SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
22                  SUBSECTION, UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

23                  "METROPOLITAN PLANNING ORGANIZATION." THE POLICY BOARD OF AN  
24                  ORGANIZATION CREATED AND DESIGNATED TO CARRY OUT THE  
25                  METROPOLITAN TRANSPORTATION PLANNING PROCESS.

26                  "RURAL PLANNING ORGANIZATION." THE ORGANIZATION OF COUNTIES  
27                  WITH POPULATIONS OF LESS THAN 50,000 CREATED AND DESIGNATED AS  
28                  LOCAL DEVELOPMENT DISTRICTS AND WHICH CARRY OUT THE RURAL  
29                  TRANSPORTATION PLANNING PROCESS.

30                  § 8917. FINANCIAL PLAN.

1       (A) SUBMISSION.--

2           (1) NO LATER THAN APRIL 1 OF EACH YEAR, THE COMMISSION  
3       SHALL PREPARE AND PROVIDE TO THE SECRETARY OF THE BUDGET A  
4       FINANCIAL PLAN FOR THE ENSUING FISCAL YEAR OF THE COMMISSION  
5       THAT DESCRIBES THE COMMISSION'S PROPOSED:

6           (I) OPERATING AND CAPITAL EXPENDITURES;

7           (II) BORROWINGS;

8           (III) LIQUIDITY AND OTHER FINANCIAL MANAGEMENT  
9       COVENANTS AND POLICIES;

10          (IV) ESTIMATED TOLL RATES; AND

11          (V) ALL OTHER REVENUES AND EXPENDITURES.

12          (2) THE FINANCIAL PLAN SHALL DEMONSTRATE THAT THE  
13       OPERATION OF THE COMMISSION IN ACCORDANCE WITH THE PLAN CAN  
14       REASONABLY BE ANTICIPATED TO RESULT IN THE COMMISSION HAVING  
15       UNENCUMBERED FUNDS DURING THE ENSUING AND FUTURE FISCAL YEARS  
16       OF THE COMMISSION SUFFICIENT TO MAKE THE PAYMENTS DUE TO THE  
17       DEPARTMENT UNDER THIS CHAPTER AND THE LEASE AGREEMENT FOR THE  
18       ENSUING AND FUTURE FISCAL YEARS AFTER ALL OTHER OBLIGATIONS  
19       OF THE COMMISSION HAVE BEEN MET. FINANCIAL PLANS PREPARED  
20       AFTER APRIL 1, 2008, SHALL ALSO DESCRIBE ANY DEVIATIONS THAT  
21       OCCURRED FROM THE FINANCIAL PLAN FOR THE PRIOR FISCAL YEAR OF  
22       THE COMMISSION AND THE REASONS FOR THE DEVIATIONS.

23          (B) RECEIPT.--IF THE SECRETARY OF THE BUDGET RECEIVES THE  
24       FINANCIAL PLAN BY THE DATE REQUIRED UNDER SUBSECTION (A), THE  
25       COMMISSION SHALL BE AUTHORIZED TO CONDUCT ITS OPERATIONS IN  
26       ACCORDANCE WITH THE PLAN. THE FINANCIAL PLAN MAY NOT BE AMENDED  
27       BY THE COMMISSION UNLESS THE COMMISSION NOTIFIES THE SECRETARY  
28       IN WRITING OF THE AMENDMENT.

29          (C) COOPERATION.--THE COMMISSION SHALL PROVIDE TO THE  
30       SECRETARY OF THE BUDGET ALL INFORMATION REQUESTED IN CONNECTION

1 WITH REVIEW OF A FINANCIAL PLAN, INCLUDING MATERIALS USED TO  
2 PREPARE THE PLAN. THE INFORMATION SHALL BE PROVIDED AS SOON AS  
3 PRACTICABLE AFTER THE REQUEST.

4 (D) EFFECT OF PROVISIONS.--NOTHING IN THIS SECTION OR  
5 SECTION 8918 (RELATING TO FAILURE TO PERFORM) SHALL BE DEEMED TO  
6 PREVENT THE COMMISSION FROM CONDUCTING ITS NORMAL COURSE OF  
7 BUSINESS OR PREVENT THE COMMISSION FROM COMPLYING WITH ANY  
8 COVENANTS MADE TO CURRENT BONDHOLDERS.

9 (E) LEASE AGREEMENT.--THE PROVISIONS OF THIS SECTION AND  
10 SECTION 8918 SHALL BE INCLUDED IN THE LEASE AGREEMENT.  
11 § 8918. FAILURE TO PERFORM.

12 (A) NOTICE.--THE SECRETARY OF THE BUDGET SHALL SEND WRITTEN  
13 NOTICE TO THE COMMISSION AND TO THE GOVERNOR OF THE FAILURE OF  
14 THE COMMISSION TO DO ANY OF THE FOLLOWING:

15 (1) MAKE A PAYMENT TO THE DEPARTMENT UNDER THIS CHAPTER  
16 OR THE LEASE AGREEMENT.

17 (2) DELIVER A FINANCIAL PLAN TO THE SECRETARY OF THE  
18 BUDGET WITHIN THE TIME PRESCRIBED UNDER SECTION 8917  
19 (RELATING TO FINANCIAL PLAN).

20 (B) UNANIMOUS VOTE REQUIRED.--

21 (1) UPON THE RECEIPT BY THE COMMISSION OF THE NOTICE  
22 UNDER SUBSECTION (A) AND NOTWITHSTANDING ANY OTHER PROVISION  
23 OF LAW, ACTION OF THE COMMISSION TAKEN BY VOTE OF THE  
24 COMMISSIONERS SHALL REQUIRE A UNANIMOUS VOTE OF ALL  
25 COMMISSIONERS. VIOLATION OF THIS PARAGRAPH SHALL RENDER THE  
26 ACTION INVALID.

27 (2) THE REQUIREMENT OF PARAGRAPH (1) SHALL CONTINUE  
28 UNTIL:

29 (I) THE REQUIRED PAYMENTS HAVE BEEN MADE TO THE  
30 DEPARTMENT OR THE REQUIRED FINANCIAL PLAN HAS BEEN



1           DELIVERED; AND

2                   (II) THE SECRETARY OF THE BUDGET HAS NOTIFIED THE  
3           COMMISSION AND THE GOVERNOR OF THAT FACT.

4           SECTION 9. TITLE 75 IS AMENDED BY ADDING SECTIONS TO READ:

5   § 9501. DEFINITIONS.

6           THE FOLLOWING WORDS AND TERMS WHEN USED IN THIS CHAPTER SHALL  
7   HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION, UNLESS THE  
8   CONTEXT CLEARLY INDICATES OTHERWISE:

9           "ACT 3." THE ACT OF APRIL 17, 1997 (P.L.6, NO.3), ENTITLED,  
10   "AN ACT AMENDING TITLES 74 (TRANSPORTATION) AND 75 (VEHICLES) OF  
11   THE PENNSYLVANIA CONSOLIDATED STATUTES, FURTHER PROVIDING FOR  
12   ANNUAL APPROPRIATION AND COMPUTATION OF SUBSIDY AND FOR  
13   DISTRIBUTION OF FUNDING; PROVIDING FOR DISTRIBUTION OF  
14   SUPPLEMENTAL FUNDING; FURTHER PROVIDING FOR USE OF FUNDS  
15   DISTRIBUTED; PROVIDING FOR PUBLIC TRANSPORTATION GRANTS  
16   MANAGEMENT ACCOUNTABILITY, FOR COMPETITIVE PROCUREMENT AND FOR  
17   THE PUBLIC TRANSPORTATION ASSISTANCE FUND; FURTHER PROVIDING FOR  
18   PERIOD OF REGISTRATION, FOR DUTIES OF AGENTS, FOR REGISTRATION  
19   AND OTHER FEES, FOR REQUIREMENTS FOR PERIODIC INSPECTION OF  
20   VEHICLES, FOR LIMITS ON NUMBER OF TOWED VEHICLES, FOR OPERATION  
21   OF CERTAIN COMBINATIONS ON INTERSTATE AND OTHER HIGHWAYS AND FOR  
22   WIDTH AND LENGTH OF VEHICLES; PROVIDING FOR LIQUID FUELS AND  
23   FUELS PERMITS AND BOND OR DEPOSIT OF SECURITIES, FOR IMPOSITION  
24   OF LIQUID FUELS AND FUELS TAX, FOR TAXPAYER, FOR DISTRIBUTOR'S  
25   REPORT AND PAYMENT OF TAX, FOR DETERMINATION OF TAX, PENALTIES  
26   AND INTEREST, FOR EXAMINATION OF RECORDS AND EQUIPMENT, FOR  
27   RETENTION OF RECORDS BY DISTRIBUTORS AND DEALERS, FOR  
28   DISPOSITION AND USE OF TAX, FOR DISCONTINUANCE OR TRANSFER OF  
29   BUSINESS, FOR SUSPENSION OR REVOCATION OF PERMITS, FOR LIEN OF  
30   TAXES, PENALTIES AND INTEREST, FOR COLLECTION OF UNPAID TAXES,

1 FOR REPORTS FROM COMMON CARRIERS, FOR VIOLATIONS AND REWARD FOR  
2 DETECTION OF VIOLATIONS, FOR REFUNDS, FOR DIESEL FUEL IMPORTERS  
3 AND TRANSPORTERS, FOR PROHIBITING USE OF DYED DIESEL FUEL, FOR  
4 DISPOSITION OF FEES, FINES AND FORFEITURES, FOR CERTIFIED COPIES  
5 OF RECORDS AND FOR UNCOLLECTIBLE CHECKS; FURTHER PROVIDING FOR  
6 DISTRIBUTION OF STATE HIGHWAY MAINTENANCE FUNDS AND FOR  
7 STANDARDS AND METHODOLOGY FOR DATA COLLECTION; PROVIDING FOR  
8 DIRT AND GRAVEL ROAD MAINTENANCE; FURTHER PROVIDING FOR  
9 IMPOSITION OF TAX AND ADDITIONAL TAX; PROVIDING FOR TAX ON  
10 ALTERNATIVE FUELS; FURTHER PROVIDING FOR DISPOSITION OF TAX  
11 REVENUE; MAKING AN APPROPRIATION; AND MAKING REPEALS."

12 "ANNUAL DEBT SERVICE PAYMENTS." THE ANNUAL DEBT SERVICE  
13 PAYMENTS ON THE BONDS ISSUED UNDER SECTION 9511.2 (RELATING TO  
14 SPECIAL REVENUE BONDS) AND PAYABLE BY THE COMMISSION TO THE  
15 DEPARTMENT AS PART OF ANNUAL BASE PAYMENTS AS DEFINED UNDER 75  
16 PA.C.S. §8901 (RELATING TO DEFINITIONS).

17 "BOND RELATED EXPENSES." THE TERM SHALL INCLUDE ALL OF THE  
18 FOLLOWING:

19 (1) PRINTING, PUBLICATION OR ADVERTISING EXPENSES WITH  
20 RESPECT TO THE SALE AND ISSUANCE OF BONDS.

21 (2) FEES, EXPENSES AND COSTS OF REGISTRARS.

22 (3) FEES, EXPENSES AND COSTS OF ATTORNEYS, ACCOUNTANTS,  
23 FEASIBILITY CONSULTANTS, COMPUTER PROGRAMMERS OR OTHER  
24 EXPERTS EMPLOYED TO AID IN THE SALE AND ISSUANCE OF THE  
25 BONDS.

26 (4) OTHER COSTS, FEES AND EXPENSES INCURRED OR  
27 REASONABLY RELATED TO THE ISSUANCE AND SALE OF THE BONDS  
28 INCLUDING THE FUNDING OF A DEBT SERVICE RESERVE FUND.

29 "BOND-RELATED OBLIGATION." AN AGREEMENT OR CONTRACTUAL  
30 RELATIONSHIP BETWEEN THE PENNSYLVANIA TURNPIKE COMMISSION AND:

1           (1) A BANK, TRUST COMPANY, INSURANCE COMPANY, SURETY  
2           BONDING COMPANY, PENSION FUND OR OTHER FINANCIAL INSTITUTION  
3           PROVIDING INCREASED CREDIT ON OR SECURITY FOR THE BONDS OR  
4           LIQUIDITY FOR SECONDARY MARKET TRANSACTIONS; OR

5           (2) THE COUNTER PARTY TO A SWAP AGREEMENT.  
6           "COMMISSION." THE PENNSYLVANIA TURNPIKE COMMISSION OR ANY  
7           SUCCESSOR ORGANIZATION.

8           "COST OF THE DEPARTMENT." ANY OF THE FOLLOWING:

9           (1) THE COST OF CONSTRUCTING, RECONSTRUCTING, WIDENING,  
10           EXPANDING OR EXTENDING THE STATE HIGHWAY AND RURAL STATE  
11           HIGHWAY SYSTEM AND ALL CONNECTING ROADS, TUNNELS AND BRIDGES.

12           (2) THE COST OF ALL LANDS, PROPERTY RIGHTS, RIGHTS-OF-  
13           WAY, EASEMENTS AND FRANCHISES ACQUIRED, WHICH ARE DEEMED  
14           NECESSARY OR CONVENIENT FOR THE CONSTRUCTION, RECONSTRUCTION,  
15           WIDENING, EXPANDING OR EXTENDING UNDER PARAGRAPH (1).

16           (3) THE COST OF ALL MACHINERY AND EQUIPMENT, FINANCING  
17           CHARGES, INTEREST PRIOR TO AND DURING CONSTRUCTION AND FOR  
18           ONE YEAR AFTER COMPLETION OF CONSTRUCTION.

19           (4) THE COST OF TRAFFIC ESTIMATES AND OF ENGINEERING AND  
20           LEGAL EXPENSES, PLANS, SPECIFICATIONS, SURVEYS, ESTIMATES OF  
21           COST AND OF REVENUES, OTHER EXPENSES NECESSARY OR INCIDENT TO  
22           DETERMINING THE FEASIBILITY OR PRACTICABILITY OF THE  
23           ENTERPRISE, ADMINISTRATIVE AND LEGAL EXPENSES AND OTHER  
24           EXPENSES AS MAY BE NECESSARY OR INCIDENT TO THE FINANCING  
25           AUTHORIZED UNDER THIS CHAPTER, THE CONSTRUCTION,  
26           RECONSTRUCTION, WIDENING, EXPANDING OR EXTENDING OF THE STATE  
27           HIGHWAY AND THE RURAL STATE HIGHWAY SYSTEM AND CONNECTING  
28           ROADS, TUNNELS AND BRIDGES, THE PLACING OF THE SAME IN  
29           OPERATION AND THE CONDEMNATION OF PROPERTY NECESSARY FOR  
30           CONSTRUCTION AND OPERATION.

1           (5) ANY OBLIGATION OR EXPENSE CONTRACTED FOR BY THE  
2           DEPARTMENT OF TRANSPORTATION OR WITH THE UNITED STATES OR ANY  
3           AGENCY OF THE UNITED STATES, FOR TRAFFIC SURVEYS, PREPARATION  
4           OF PLANS AND SPECIFICATIONS, SUPERVISION OF CONSTRUCTION AND  
5           OTHER ENGINEERING, ADMINISTRATIVE AND LEGAL SERVICES AND  
6           EXPENSES IN CONNECTION WITH THE CONSTRUCTION, RECONSTRUCTION,  
7           WIDENING, EXPANDING OR EXTENDING OF THE STATE HIGHWAY AND THE  
8           RURAL STATE HIGHWAY SYSTEM OR ANY OF THE CONNECTING ROADS,  
9           TUNNELS AND BRIDGES.

10           (6) PAYMENT OF ANY NOTES OR OTHER OBLIGATIONS IF THE  
11           NOTES OR OTHER OBLIGATIONS WERE ISSUED FOR THE PAYMENT OF A  
12           COST.

13           "DESIGN BUILD ARRANGEMENT." A PROCUREMENT OR PROJECT  
14           DELIVERY ARRANGEMENT WHEREBY A SINGLE ENTITY, WHICH MAY BE A  
15           SINGLE CONTRACTOR OR A CONSORTIUM COMPRISED OF MULTIPLE  
16           CONTRACTORS, ENGINEERS AND OTHER SUBCONSULTANTS, IS RESPONSIBLE  
17           FOR BOTH THE DESIGN AND CONSTRUCTION OF A TRANSPORTATION PROJECT  
18           WITH A GUARANTEED COMPLETION DATE AND GUARANTEED MAXIMUM PRICE.

19           "PLEGDED REVENUES." THE REVENUES DESCRIBED IN SECTION  
20           9511.11(A) AND (B) (RELATING TO PLEDGED REVENUES).

21           "REGULARLY SCHEDULED DEBT SERVICE." THE SCHEDULED PAYMENTS  
22           DUE FOR PRINCIPAL AND INTEREST ON BONDS, WITHOUT REGARD TO ANY  
23           ACCELERATION OF THE DUE DATE OF SUCH PRINCIPAL OR INTEREST BY  
24           REASON OF MANDATORY OR OPTIONAL REDEMPTION OR ACCELERATION  
25           RESULTING FROM DEFAULT OR OTHERWISE. THE TERM DOES NOT INCLUDE  
26           AN ADVANCEMENT OF PAYMENT RESULTING FROM A MANDATORY SINKING  
27           FUND PAYMENT.

28           "RURAL STATE HIGHWAY SYSTEM." ALL ROADS AND HIGHWAYS TAKEN  
29           OVER BY THE COMMONWEALTH AS STATE HIGHWAYS UNDER THE PROVISIONS  
30           OF THE ACT OF JUNE 22, 1931 (P.L.594, NO.203), REFERRED TO AS

1 THE TOWNSHIP STATE HIGHWAY LAW AND ALL OTHER ROADS AND HIGHWAYS  
2 SPECIFICALLY DESIGNATED BY THE SECRETARY OF TRANSPORTATION AS  
3 RURAL STATE HIGHWAYS.

4 "STATE HIGHWAY." ALL ROADS AND HIGHWAYS TAKEN OVER BY THE  
5 COMMONWEALTH AS STATE HIGHWAYS UNDER THE PROVISIONS OF ANY  
6 STATUTE OTHER THAN THE ACT OF JUNE 22, 1931 (P.L.594, NO.203),  
7 REFERRED TO AS THE TOWNSHIP STATE HIGHWAY LAW. UNLESS CLEARLY  
8 INTENDED, THE TERM SHALL NOT INCLUDE ANY STREET IN ANY CITY,  
9 BOROUGH OR INCORPORATED TOWN, EVEN THOUGH THE SAME MAY HAVE BEEN  
10 TAKEN OVER AS A STATE HIGHWAY.

11 § 9511.2. SPECIAL REVENUE BONDS.

12 (A) PAYMENT SOURCE.--A SPECIAL REVENUE BOND, NOTE OR OTHER  
13 OBLIGATION ISSUED UNDER THIS CHAPTER:

14 (1) SHALL NOT BE DEEMED TO BE A DEBT OR LIABILITY OF THE  
15 COMMONWEALTH;

16 (2) SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS,  
17 LIABILITY OR OBLIGATION OF THE COMMONWEALTH; AND

18 (3) SHALL BE PAYABLE SOLELY FROM REVENUES.

19 (B) STATEMENT.--A SPECIAL REVENUE BOND, NOTE OR OTHER  
20 OBLIGATION ISSUED UNDER THIS CHAPTER MUST CONTAIN A STATEMENT ON  
21 ITS FACE THAT:

22 (1) THE COMMONWEALTH IS NOT OBLIGATED TO PAY THE BOND,  
23 NOTE OR OBLIGATION OR THE INTEREST ON IT EXCEPT FROM PLEDGED  
24 REVENUES; AND

25 (2) NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF  
26 THE COMMONWEALTH IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL  
27 OR INTEREST OF THE BOND, NOTE OR OBLIGATION.

28 (C) TAXATION.--THE ISSUANCE OF A SPECIAL REVENUE BOND, NOTE  
29 OR OTHER OBLIGATION UNDER THIS CHAPTER SHALL NOT DIRECTLY,  
30 INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH TO LEVY A

1 TAX OR TO MAKE AN APPROPRIATION FOR PAYMENT.

2 § 9511.3. EXPENSES.

3 (A) REIMBURSEMENT.--THE COMMISSION SHALL BE REIMBURSED FOR  
4 THE NECESSARY AND DOCUMENTED REASONABLE EXPENSES INCURRED IN THE  
5 PERFORMANCE OF THE DUTIES PERFORMED UNDER THE PROVISIONS OF THIS  
6 CHAPTER.

7 (B) SOURCE.--ALL EXPENSES INCURRED IN CARRYING OUT THE  
8 PROVISIONS OF THIS CHAPTER SHALL BE PAID SOLELY FROM FUNDS  
9 PROVIDED UNDER THE AUTHORITY OF THIS CHAPTER, AND SUFFICIENT  
10 FUNDS SHALL BE PROVIDED UNDER THE AUTHORITY OF THIS CHAPTER TO  
11 MEET ANY LIABILITY OR OBLIGATION INCURRED IN CARRYING OUT THE  
12 PROVISIONS OF THIS CHAPTER.

13 § 9511.4. SPECIAL REVENUE BONDS AND PRELIMINARY OR INTERIM  
14 FINANCING.

15 (A) AUTHORIZATION.--THE COMMISSION IS AUTHORIZED TO PROVIDE,  
16 BY RESOLUTION, FOR THE ISSUANCE OF SPECIAL REVENUE BONDS OF THE  
17 COMMISSION UP TO AN AMOUNT NOT EXCEEDING \$5,000,000,000 FOR THE  
18 PURPOSE OF PAYING THE COST OF THE DEPARTMENT AND BOND-RELATED  
19 EXPENSES. THE RESOLUTION MUST RECITE AN ESTIMATE OF THE COST OF  
20 THE DEPARTMENT. NO MORE THAN \$600,000,000 OF SPECIAL REVENUE  
21 BONDS MAY BE ISSUED IN ANY CALENDAR YEAR. NO BOND MAY BE ISSUED  
22 UNDER THIS SECTION UNLESS THE LEASE AGREEMENT AUTHORIZED UNDER  
23 SECTION 8915.3 (RELATING TO LEASE OF INTERSTATE 80) IS IN EFFECT  
24 AS OF THE DATE OF ISSUANCE. SPECIAL REVENUE REFUNDING BONDS AS  
25 SET FORTH IN SECTION 9511.9 (RELATING TO SPECIAL REVENUE  
26 REFUNDING BONDS) SHALL NOT BE DEEMED TO COUNT AGAINST THE TOTAL  
27 OR ANNUAL MAXIMUM ISSUANCE VOLUME. THE PRINCIPAL AND INTEREST OF  
28 THE BOND SHALL BE PAYABLE SOLELY FROM REVENUES OF THE MOTOR  
29 LICENSE FUND TRANSFERRED TO THE COMMISSION FOR THAT PURPOSE TO  
30 THE COMMISSION IN COMBINATION WITH ANNUAL DEBT SERVICE ON

1 OUTSTANDING BONDS ISSUED UNDER SECTION 9511.2 (RELATING TO  
2 SPECIAL REVENUE BONDS) PAYABLE AS REQUIRED PURSUANT TO THE  
3 BONDS.

4 (B) FORM.--

5 (1) A BOND MAY BE ISSUED IN REGISTERED FORM.

6 (2) A BOND:

7 (I) MUST BE DATED;

8 (II) MUST BEAR INTEREST AT A RATE NOT EXCEEDING THE  
9 RATE PERMITTED UNDER APPLICABLE LAW;

10 (III) MUST BE PAYABLE SEMIANNUALLY OR AT OTHER TIMES  
11 AS SET FORTH IN THE RESOLUTION OF THE COMMISSION  
12 AUTHORIZING THE ISSUANCE OF THE BONDS;

13 (IV) MUST MATURE, AS DETERMINED BY THE COMMISSION,  
14 NO LATER THAN 40 YEARS FROM THE DATE OF THE BOND; AND

15 (V) MAY BE MADE REDEEMABLE BEFORE MATURITY, AT THE  
16 OPTION OF THE COMMISSION, AT A PRICE AND UNDER TERMS AND  
17 CONDITIONS FIXED BY THE COMMISSION PRIOR TO THE ISSUANCE  
18 OF THE BONDS.

19 (C) ISSUANCE.--

20 (1) THE COMMISSION MAY SELL BONDS AT PUBLIC OR PRIVATE  
21 SALE AND FOR A PRICE IT DETERMINES TO BE IN THE BEST INTEREST  
22 OF THE COMMONWEALTH.

23 (2) BONDS MAY BE ISSUED IN SERIES WITH VARYING  
24 PROVISIONS AS TO ALL OF THE FOLLOWING:

25 (I) RATES OF INTEREST, WHICH MAY BE FIXED OR  
26 VARIABLE.

27 (II) OTHER PROVISIONS NOT INCONSISTENT WITH THIS  
28 CHAPTER.

29 (D) (RESERVED).

30 (E) PAYMENT.--

1           (1) THE PRINCIPAL AND INTEREST OF THE BONDS MAY BE MADE  
2           PAYABLE IN ANY LAWFUL MEDIUM.

3           (2) THE COMMISSION SHALL:

4                   (I) DETERMINE THE FORM OF BONDS; AND

5                   (II) FIX:

6                           (A) THE DENOMINATION OF THE BOND; AND

7                           (B) THE PLACE OF PAYMENT OF PRINCIPAL AND  
8                   INTEREST OF THE BOND, WHICH MAY BE AT ANY BANK OR  
9                   TRUST COMPANY WITHIN OR WITHOUT THIS COMMONWEALTH.

10          (F) SIGNATURE.--THE BOND MUST BEAR THE FACSIMILE SIGNATURE  
11          OF THE GOVERNOR AND OF THE CHAIRMAN OF THE COMMISSION. THE  
12          FACSIMILE OF THE OFFICIAL SEAL OF THE COMMISSION SHALL BE  
13          AFFIXED TO THE BOND AND ATTESTED BY THE SECRETARY AND TREASURER  
14          OF THE COMMISSION. IF AN OFFICER WHOSE SIGNATURE OR FACSIMILE OF  
15          A SIGNATURE APPEARS ON A BOND CEASES TO BE AN OFFICER BEFORE THE  
16          DELIVERY OF THE BOND, THE SIGNATURE OR FACSIMILE SHALL  
17          NEVERTHELESS BE VALID AND SUFFICIENT FOR ALL PURPOSES, AS IF THE  
18          OFFICER REMAINED IN OFFICE UNTIL DELIVERY.

19          (G) NEGOTIABILITY.--A SPECIAL REVENUE BOND ISSUED UNDER THIS  
20          CHAPTER SHALL HAVE ALL THE QUALITIES AND INCIDENTS OF A  
21          NEGOTIABLE INSTRUMENT UNDER 13 PA.C.S. DIV. 3 (RELATING TO  
22          NEGOTIABLE INSTRUMENTS).

23          (H) PROCEEDS.--

24                   (1) THE PROCEEDS OF A BOND SHALL BE USED SOLELY FOR THE  
25                   FOLLOWING:

26                           (I) PAYMENT OF THE COST OF THE DEPARTMENT.

27                           (II) BOND-RELATED EXPENSES.

28                   (2) THE PROCEEDS OF A BOND SHALL BE DISBURSED UPON  
29                   REQUISITION OF THE SECRETARY UNDER RESTRICTIONS SET FORTH IN  
30                   THE RESOLUTION AUTHORIZING THE ISSUANCE OF THE BOND OR THE



1 TRUST INDENTURE UNDER SECTION 9511.6 (RELATING TO TRUST  
2 INDENTURE, PROTECTION OF HOLDERS OF OBLIGATIONS AND  
3 DEPOSITORIES).

4 (I) TEMPORARY BONDS.--PRIOR TO THE PREPARATION OF DEFINITIVE  
5 BONDS, THE COMMISSION MAY, UNDER SIMILAR RESTRICTIONS AS THOSE  
6 APPLICABLE TO THE DEFINITIVE BONDS, ISSUE TEMPORARY BONDS,  
7 EXCHANGEABLE FOR DEFINITIVE BONDS UPON THE ISSUANCE OF  
8 DEFINITIVE BONDS.

9 (J) (RESERVED).

10 (K) STATUS AS SECURITIES.--

11 (1) A BOND IS MADE A SECURITY IN WHICH ANY OF THE  
12 FOLLOWING MAY PROPERLY AND LEGALLY INVEST FUNDS, INCLUDING  
13 CAPITAL, BELONGING TO THEM OR WITHIN THEIR CONTROL:

14 (I) COMMONWEALTH AND MUNICIPAL OFFICERS.

15 (II) COMMONWEALTH AGENCIES.

16 (III) BANKS, BANKERS, SAVINGS BANKS, TRUST  
17 COMPANIES, SAVING AND LOAN ASSOCIATIONS, INVESTMENT  
18 COMPANIES AND OTHER PERSONS CARRYING ON A BANKING  
19 BUSINESS.

20 (IV) INSURANCE COMPANIES, INSURANCE ASSOCIATIONS AND  
21 OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS.

22 (V) FIDUCIARIES.

23 (VI) OTHER PERSONS THAT ARE AUTHORIZED TO INVEST IN  
24 BONDS OR OTHER OBLIGATIONS OF THE COMMONWEALTH.

25 (2) A BOND IS MADE A SECURITY WHICH MAY PROPERLY AND  
26 LEGALLY BE DEPOSITED WITH AND RECEIVED BY A COMMONWEALTH OR  
27 MUNICIPAL OFFICER OR A COMMONWEALTH AGENCY FOR ANY PURPOSE  
28 FOR WHICH THE DEPOSIT OF BONDS OR OTHER OBLIGATIONS OF THE  
29 COMMONWEALTH IS AUTHORIZED BY LAW.

30 (L) BORROWING.--THE FOLLOWING SHALL APPLY:

1           (1) THE COMMISSION IS AUTHORIZED TO DO ALL OF THE  
2 FOLLOWING:

3           (I) BORROW MONEY AT AN INTEREST RATE NOT EXCEEDING  
4 THE RATE PERMITTED BY LAW.

5           (II) PROVIDE FOR PRELIMINARY OR INTERIM FINANCING,  
6 UP TO BUT NOT EXCEEDING THE ESTIMATED TOTAL COST OF THE  
7 DEPARTMENT AND BOND-RELATED EXPENSES AND TO EVIDENCE THE  
8 BORROWING BY THE ISSUANCE OF SPECIAL REVENUE NOTES AND,  
9 IN ITS DISCRETION, TO PLEDGE AS COLLATERAL FOR THE NOTE  
10 OR OTHER OBLIGATION, A SPECIAL REVENUE BOND ISSUED UNDER  
11 THE PROVISIONS OF THIS CHAPTER. THE COMMISSION MAY RENEW  
12 THE NOTE OR OBLIGATION, AND THE PAYMENT OR RETIREMENT OF  
13 THE NOTE OR OBLIGATION SHALL BE CONSIDERED TO BE PAYMENT  
14 OF THE COST OF THE PROJECT.

15           (2) A NOTE OR OBLIGATION ISSUED UNDER THIS SUBSECTION  
16 MUST CONTAIN A STATEMENT ON ITS FACE THAT:

17           (I) THE COMMONWEALTH IS NOT OBLIGATED TO PAY THE  
18 NOTE OR OBLIGATION OR INTEREST ON IT, EXCEPT FROM PLEDGED  
19 REVENUES OF THE MOTOR LICENSE FUND; AND

20           (II) NEITHER THE FAITH AND CREDIT NOR THE TAXING  
21 POWER OF THE COMMONWEALTH IS PLEDGED TO THE PAYMENT OF  
22 ITS PRINCIPAL OR INTEREST.

23 § 9511.5. APPLICATION OF PROCEEDS OF OBLIGATIONS, LIEN OF  
24 HOLDERS OF OBLIGATIONS, DESIGN-BUILD REQUIREMENT AND  
25 PROJECTS APPROVED BY GENERAL ASSEMBLY.

26 (A) APPLICATION.--THE FOLLOWING SHALL APPLY:

27           (1) ALL MONEY RECEIVED FROM ANY BONDS, NOTES OR OTHER  
28 OBLIGATIONS ISSUED UNDER THIS CHAPTER SHALL BE APPLIED SOLELY  
29 TO THE PAYMENT OF:

30           (I) THE COST OF THE DEPARTMENT WHICH IS CONSISTENT

1           WITH THE PURPOSE OF THE ISSUE; AND

2                   (II) BOND-RELATED EXPENSES.

3           (2) THE COMMISSION MAY PROVIDE BY RESOLUTION THAT UNTIL  
4 MONEY RECEIVED FROM ANY BONDS, NOTES OR OTHER OBLIGATIONS  
5 ISSUED UNDER THIS CHAPTER IS APPLIED UNDER PARAGRAPH (1), A  
6 LIEN SHALL EXIST UPON THE MONEY IN FAVOR OF HOLDERS OF THE  
7 BONDS, NOTES OR OTHER OBLIGATIONS OR A TRUSTEE PROVIDED FOR  
8 IN RESPECT TO THE BONDS, NOTES OR OTHER OBLIGATIONS.

9           (B) DESIGN-BUILD ARRANGEMENTS.--

10           (1) TO FACILITATE THE TIMELY COMPLETION OF PROJECTS TO  
11 BE FINANCED BY THE DEPARTMENT WITH BOND PROCEEDS, THE  
12 DEPARTMENT SHALL BE REQUIRED TO UTILIZE DESIGN-BUILD  
13 ARRANGEMENTS FOR EACH PROJECT ESTIMATED BY THE DEPARTMENT TO  
14 HAVE A VALUE IN EXCESS OF \$100,000,000.

15           (2) NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, THE  
16 DEPARTMENT MAY UTILIZE DESIGN-BUILD ARRANGEMENTS FOR THE  
17 FOLLOWING:

18                   (I) PROJECTS TO BE FINANCED BY THE DEPARTMENT WITH  
19 BOND PROCEEDS FOR PROJECTS ESTIMATED BY THE DEPARTMENT TO  
20 HAVE A VALUE OF \$100,000,000 OR LESS; AND

21                   (II) ALL OTHER CONSTRUCTION PROJECTS OF THE  
22 DEPARTMENT NOT INCLUDED UNDER PARAGRAPH (1).

23           (3) THE SELECTION OF THE PARTY FOR A DESIGN-BUILD  
24 ARRANGEMENT UNDER THIS SUBSECTION MUST BE CONDUCTED IN A  
25 MANNER CONSISTENT WITH THE PROCUREMENT AND PUBLIC BIDDING  
26 LAWS APPLICABLE TO THE DEPARTMENT.

27           (C) CAPITAL PROJECTS.--ALL PROJECTS FINANCED BY THE  
28 DEPARTMENT WITH BOND PROCEEDS SHALL BE INCLUDED IN ANY  
29 SUBMISSION THE DEPARTMENT IS ALREADY REQUIRED TO MAKE TO THE  
30 GENERAL ASSEMBLY WITH RESPECT TO THE EXPENDITURE OF FUNDS FOR

1 HIGHWAY PROJECTS.

2 (D) INVESTMENT.--PENDING THE APPLICATION OF PROCEEDS TO  
3 COSTS OF THE DEPARTMENT AND BOND-RELATED EXPENSES, THE  
4 COMMISSION MAY INVEST THE FUNDS IN PERMITTED INVESTMENTS AS  
5 DEFINED UNDER ANY TRUST INDENTURE IF THE INVESTMENT IS NOT  
6 INCONSISTENT WITH EXISTING FIDUCIARY OBLIGATIONS OF THE  
7 COMMISSION.

8 § 9511.6. TRUST INDENTURE, PROTECTION OF HOLDERS OF OBLIGATIONS  
9 AND DEPOSITORIES.

10 (A) INDENTURE.--IN THE DISCRETION OF THE COMMISSION, A BOND,  
11 NOTE OR OTHER OBLIGATION MAY BE SECURED BY A TRUST INDENTURE BY  
12 AND BETWEEN THE COMMISSION AND A CORPORATE TRUSTEE, WHICH MAY BE  
13 ANY TRUST COMPANY OR BANK HAVING THE POWERS OF A TRUST COMPANY,  
14 WITHIN OR WITHOUT THIS COMMONWEALTH.

15 (B) PLEDGE OR ASSIGNMENT.--A TRUST INDENTURE UNDER  
16 SUBSECTION (A) MAY PLEDGE OR ASSIGN THE PLEDGED REVENUES, BUT  
17 SHALL NOT CONVEY OR MORTGAGE THE TURNPIKE OR ANY PART OF THE  
18 TURNPIKE.

19 (C) RIGHTS AND REMEDIES.--THE RESOLUTION PROVIDING FOR THE  
20 ISSUANCE OF THE BOND, NOTE OR OTHER OBLIGATION OF THE TRUST  
21 INDENTURE MAY CONTAIN PROVISIONS FOR PROTECTING AND ENFORCING  
22 THE RIGHTS AND REMEDIES OF THE BONDHOLDERS OR HOLDERS OF NOTES  
23 OR OTHER OBLIGATIONS AS MAY BE REASONABLE AND PROPER AND NOT IN  
24 VIOLATION OF LAW.

25 (D) DEPOSITORY.--IT SHALL BE LAWFUL FOR ANY BANK OR TRUST  
26 COMPANY INCORPORATED UNDER THE LAWS OF THIS COMMONWEALTH TO ACT  
27 AS DEPOSITORY OF THE PROCEEDS OF THE BOND, NOTE OR OTHER  
28 OBLIGATION OR REVENUE, TO FURNISH INDEMNITY BONDS OR TO PLEDGE  
29 SECURITIES AS MAY BE REQUIRED BY THE COMMISSION.

30 (E) INDENTURE.--THE TRUST INDENTURE MAY SET FORTH THE RIGHTS

1 AND REMEDIES OF THE BONDHOLDERS OR HOLDERS OF NOTES OR OTHER  
2 OBLIGATIONS AND OF THE TRUSTEE AND MAY RESTRICT THE INDIVIDUAL  
3 RIGHT OF ACTION OF BONDHOLDERS OR HOLDERS OF NOTES OR OTHER  
4 OBLIGATIONS AS IS CUSTOMARY IN TRUST INDENTURES SECURING BONDS,  
5 DEBENTURES OF CORPORATIONS, NOTES OR OTHER OBLIGATIONS. THE  
6 TRUST INDENTURE MAY CONTAIN OTHER PROVISIONS AS THE COMMISSION  
7 MAY DEEM REASONABLE AND PROPER FOR THE SECURITY OF BONDHOLDERS  
8 OR HOLDERS OF NOTES OR OTHER OBLIGATIONS.

9 § 9511.7. EXEMPTION FROM COMMONWEALTH TAXATION.

10 THE EFFECTUATION OF THE PURPOSES OF THIS CHAPTER IS FOR THE  
11 BENEFIT OF THE CITIZENS OF THIS COMMONWEALTH AND FOR THE  
12 IMPROVEMENT OF THEIR COMMERCE AND PROSPERITY. SINCE THE  
13 COMMISSION WILL BE PERFORMING ESSENTIAL GOVERNMENT FUNCTIONS IN  
14 EFFECTUATING THESE PURPOSES, THE COMMISSION SHALL NOT BE  
15 REQUIRED TO PAY ANY TAX OR ASSESSMENT ON ANY PROPERTY ACQUIRED  
16 OR USED BY IT FOR THE PURPOSES PROVIDED UNDER THIS CHAPTER. A  
17 BOND, NOTE OR OTHER OBLIGATION ISSUED BY THE COMMISSION, ITS  
18 TRANSFER AND THE INCOME FROM ITS ISSUANCE AND TRANSFER,  
19 INCLUDING ANY PROFITS MADE ON THE SALE OF THE BOND, NOTE OR  
20 OTHER OBLIGATION, SHALL BE FREE FROM TAXATION WITHIN THE  
21 COMMONWEALTH.

22 § 9511.8. COSTS RELATED TO FEDERAL INCOME TAX MATTERS.

23 TAX MATTER COSTS INCURRED BY THE COMMISSION IN CONNECTION  
24 WITH ANY PROCEEDING OF OR FILING WITH THE INTERNAL REVENUE  
25 SERVICE CONCERNING THE USE OF PROCEEDS OF BONDS ISSUED UNDER  
26 THIS CHAPTER SHALL BE PAID OR REIMBURSED FROM AVAILABLE FUNDS IN  
27 THE FUND. IT IS ANTICIPATED THAT THE INCOME RECEIVED BY THE  
28 COMMISSION AS A RESULT OF THE SALE OF BONDS UNDER THIS CHAPTER  
29 WILL BE FREE OF FEDERAL INCOME TAX. IF THE ACT OR FAILURE TO ACT  
30 OF THE DEPARTMENT DIRECTLY RESULTS IN TAX LIABILITY TO THE

1 COMMISSION, THE DEPARTMENT SHALL PAY TO THE COMMISSION, FROM  
2 AVAILABLE FUNDS IN THE FUND, THE AMOUNT OF THE LIABILITY. TAX  
3 MATTER COSTS SHALL INCLUDE ALL OF THE FOLLOWING:

4 (1) FEES OF TAX COUNSEL OR ARBITRAGE REBATE CALCULATION  
5 PROVIDERS.

6 (2) ARBITRAGE REBATE PAYMENTS TO THE EXTENT NOT PROPERLY  
7 PAYABLE FROM FUNDS HELD UNDER THE BOND INDENTURE.

8 (3) SETTLEMENT PAYMENTS TO THE INTERNAL REVENUE SERVICE,  
9 EITHER IN RELATION TO AN EXAMINATION INITIATED BY THE  
10 INTERNAL REVENUE SERVICE OR A CLOSING AGREEMENT REQUESTED BY  
11 THE COMMISSION.

12 (4) PAYMENTS TO BONDHOLDERS AS A RESULT OF CLAIMS BASED  
13 ON PENDING, THREATENED OR ACTUAL ASSESSMENTS OF TAX, INTEREST  
14 OR PENALTIES BY THE INTERNAL REVENUE SERVICE.

15 (5) ANY OTHER COST REASONABLY RELATED TO A PROCEEDING BY  
16 OR FILING WITH THE INTERNAL REVENUE SERVICE CONCERNING THE  
17 USE OF PROCEEDS OF THE BONDS.

18 § 9511.9. SPECIAL REVENUE REFUNDING BONDS.

19 THE COMMISSION IS AUTHORIZED TO PROVIDE, BY RESOLUTION, FOR  
20 THE ISSUANCE OF SPECIAL REVENUE REFUNDING BONDS OF THE  
21 COMMISSION FOR THE PURPOSE OF REFUNDING ANY SPECIAL REVENUE  
22 BONDS, NOTES OR OTHER OBLIGATIONS ISSUED UNDER THE PROVISIONS OF  
23 THIS CHAPTER AND THEN OUTSTANDING. THE ISSUANCE OF THE SPECIAL  
24 REVENUE REFUNDING BONDS, THE MATURITIES AND OTHER DETAILS OF THE  
25 BONDS, THE RIGHTS OF THE HOLDERS OF THE BONDS AND THE DUTIES OF  
26 THE DEPARTMENT AND OF THE COMMISSION WITH RESPECT TO THE BONDS  
27 SHALL BE GOVERNED BY THE PROVISIONS OF THIS CHAPTER.

28 § 9511.10. REMEDIES OF TRUSTEES AND OF HOLDERS OF OBLIGATIONS.

29 (A) GRANT OF RIGHTS.--A HOLDER OF A BOND, NOTE OR OTHER  
30 OBLIGATION ISSUED UNDER THIS CHAPTER AND THE TRUSTEE UNDER THE

1 TRUST INDENTURE MAY, EITHER AT LAW OR IN EQUITY, BY SUIT,  
2 ACTION, MANDAMUS OR OTHER PROCEEDING, DO ALL OF THE FOLLOWING:

3 (1) PROTECT AND ENFORCE ANY RIGHT GRANTED UNDER THIS  
4 CHAPTER OR UNDER THE RESOLUTION OR TRUST INDENTURE.

5 (2) ENFORCE AND COMPEL PERFORMANCE OF ALL DUTIES  
6 REQUIRED UNDER THIS CHAPTER OR BY RESOLUTION OR TRUST  
7 INDENTURE TO BE PERFORMED BY THE COMMISSION OR ANY OFFICER OF  
8 ITS OFFICERS, INCLUDING THE COLLECTION OF THE PLEDGED  
9 RESERVES.

10 (B) EXCEPTION.--RIGHTS GIVEN UNDER THIS CHAPTER MAY BE  
11 RESTRICTED BY RESOLUTION PASSED BEFORE THE ISSUANCE OF THE  
12 BONDS, NOTES OR OTHER OBLIGATIONS, OR BY THE TRUST INDENTURE.  
13 § 9511.11. PLEDGED REVENUES.

14 (A) ANNUAL DEBT SERVICE PAYMENTS.--UPON RECEIPT BY THE  
15 DEPARTMENT OF THE ANNUAL DEBT SERVICE PAYMENTS, THE DEPARTMENT  
16 SHALL PAY THEM TO THE TRUSTEE FOR THE HOLDERS OF THE BONDS  
17 ISSUED UNDER SECTION 9511.2 (RELATING TO SPECIAL REVENUE BONDS).

18 (B) PAYMENT DEFAULT.--

19 (1) THE DEPARTMENT SHALL NOTIFY THE STATE TREASURER IF  
20 THE DEPARTMENT RECEIVES A NOTICE FROM THE TRUSTEE WHICH:

21 (I) INDICATES THAT A DEFAULT IN THE PAYMENT OF  
22 REGULARLY SCHEDULED DEBT SERVICE ON THE BONDS HAS  
23 OCCURRED; AND

24 (II) INDICATES THE AMOUNT REQUIRED TO REMEDY THE  
25 DEFAULT.

26 (2) UPON NOTICE UNDER PARAGRAPH (1), THE STATE TREASURER  
27 SHALL DO ALL OF THE FOLLOWING:

28 (I) NOTWITHSTANDING SECTION 9010 (RELATING TO  
29 DISPOSITION AND USE OF TAX), TRANSFER TO THE TRUSTEE FROM  
30 FUNDS IN THE MOTOR LICENSE FUND AS A RESULT OF THE

1 IMPOSITION OF THE TAX UNDER SECTION 9004(A) (RELATING TO  
2 IMPOSITION OF TAX, EXEMPTIONS AND DEDUCTIONS) THE AMOUNT  
3 NECESSARY TO REMEDY THE DEFAULT UNDER PARAGRAPH (1)(II).

4 (II) IF FUNDS IN THE MOTOR LICENSE FUND AS A RESULT  
5 OF THE IMPOSITION OF THE TAX UNDER SECTION 9004(A) ARE  
6 NOT SUFFICIENT TO REMEDY THE DEFAULT UNDER PARAGRAPH  
7 (1)(II) AND NOTWITHSTANDING SECTION 9511 (RELATING TO  
8 ALLOCATION OF PROCEEDS), TRANSFER TO THE TRUSTEE FROM  
9 FUNDS IN THE MOTOR LICENSE FUND AS A RESULT OF THE  
10 IMPOSITION OF THE TAX UNDER 9502(A)(1), (2)(I), (II),  
11 (III) AND (IV) AND (3)(II) (RELATING TO IMPOSITION OF  
12 TAX), AN AMOUNT NECESSARY, WHEN COMBINED WITH ANY FUNDS  
13 TRANSFERRED UNDER SUBPARAGRAPH (I), TO REMEDY THE  
14 DEFAULT.

15 (III) IF FUNDS IN THE MOTOR LICENSE FUND AS A RESULT OF  
16 THE IMPOSITION OF THE TAX UNDER SECTION 9004(A) AND  
17 SECTION 9502(A)(1), (2)(I), (II), (III) AND (IV) AND  
18 (3)(II) ARE NOT SUFFICIENT TO REMEDY THE DEFAULT UNDER  
19 PARAGRAPH (1)(II) AND NOTWITHSTANDING THE PROVISIONS OF  
20 SECTION 20 OF ACT 3, TRANSFER TO THE TRUSTEE FROM FUNDS  
21 IN THE MOTOR LICENSE FUND AS A RESULT OF THE  
22 APPROPRIATION TO THE COMMISSION UNDER SECTION 20 OF ACT  
23 3, AN AMOUNT NECESSARY, WHEN COMBINED WITH FUNDS  
24 TRANSFERRED UNDER SUBPARAGRAPHS (I) AND (II), TO REMEDY  
25 THE DEFAULT.

26 (C) COMMONWEALTH PLEDGE.--THIS SUBSECTION SHALL OPERATE AS A  
27 PLEDGE BY THE COMMONWEALTH TO AN INDIVIDUAL OR ENTITY THAT  
28 ACQUIRES A BOND ISSUED BY THE COMMISSION UNDER SECTION 9511.2:

29 (1) TO SECURE THE PORTION OF THE MONEY DESCRIBED UNDER  
30 THIS SECTION AND DISTRIBUTED UNDER THIS SECTION; AND



1           (2) TO NOT LIMIT OR ALTER THE RIGHTS VESTED IN THE  
2           COMMISSION OR THE TRUSTEE FOR THE BONDS TO THE APPROPRIATION  
3           AND DISTRIBUTION OF MONEY SET FORTH UNDER THIS SECTION.

4   § 9511.12. LIMIT ON TRANSFERS FROM THE MOTOR LICENSE FUND.

5           IF IN ANY MONTH THE STATE TREASURER RECEIVES A NOTICE FROM  
6   THE COMMISSION UNDER SECTION 8915.3(4) (RELATING TO LEASE OF  
7   INTERSTATE 80; RELATED AGREEMENTS) THAT MONEY IS REQUIRED TO BE  
8   TRANSFERRED TO THE TRUSTEE TO SATISFY THE PROVISIONS OF THE  
9   TRUST INDENTURE RELATING TO BONDS ISSUED UNDER SECTION 9511.2  
10 (RELATING TO SPECIAL REVENUE BONDS), THE STATE TREASURER SHALL,  
11 IN THAT MONTH, TRANSFER FROM THE MOTOR LICENSE FUND UNDER  
12 SECTION 9511.11 (RELATING TO PLEDGED REVENUES), AN AGGREGATE  
13 AMOUNT, NOT TO EXCEED \$ \_\_\_\_\_, EQUAL TO THE AMOUNT REQUIRED  
14 TO BE TRANSFERRED TO THE COMMISSION PURSUANT TO THE NOTICE.

15 § 9511.13. SUPPLEMENT TO OTHER LAWS AND LIBERAL CONSTRUCTION.

16           THIS CHAPTER SHALL BE REGARDED AS SUPPLEMENTAL AND ADDITIONAL  
17 TO POWERS CONFERRED BY OTHER STATUTES AND SHALL NOT BE REGARDED  
18 AS IN DEROGATION OF ANY POWERS EXISTING ON THE EFFECTIVE DATE OF  
19 THIS SECTION. THE PROVISIONS OF THIS CHAPTER, BEING NECESSARY  
20 FOR THE WELFARE OF THE COMMONWEALTH AND ITS CITIZENS, SHALL BE  
21 LIBERALLY CONSTRUED TO EFFECT THE PURPOSES OF THIS CHAPTER.

22           SECTION 13. (A) FINANCIAL ASSISTANCE MADE BY THE DEPARTMENT  
23 OF TRANSPORTATION UNDER 74 PA.C.S. CH. 13 PRIOR TO THE EFFECTIVE  
24 DATE OF THIS SECTION MAY CONTINUE TO BE USED BY RECIPIENTS FOR  
25 OPERATING OR CAPITAL EXPENSES UPON THE SAME TERMS AND CONDITIONS  
26 AS ARE CONTAINED IN THE NOTICE OF GRANT AWARD OR GRANT AGREEMENT  
27 EXECUTED IN CONNECTION WITH THE AWARD, IF THE FUNDS ARE EXPENDED  
28 WITHIN FIVE YEARS FOLLOWING THE EFFECTIVE DATE OF THIS SECTION.

29           (B) THE DEPARTMENT OF TRANSPORTATION MAY CONTINUE TO USE ALL  
30 FUNDS APPROPRIATED OR OTHERWISE MADE AVAILABLE TO IT FOR PUBLIC

1 TRANSPORTATION PURPOSES PRIOR TO THE EFFECTIVE DATE OF THIS  
2 SECTION IN ACCORDANCE WITH THE LAWS UNDER WHICH THE FUNDS WERE  
3 MADE AVAILABLE.

4 SECTION 13.1. THE REPEAL OF 74 PA.C.S. CH. 13 IS SUBJECT TO  
5 THE FOLLOWING:

6 (1) NOTWITHSTANDING THE REPEAL:

7 (I) THE FUND SHALL CONTINUE TO RECEIVE TAX REVENUE  
8 THE FUND WAS ENTITLED TO RECEIVE ON JUNE 30, 2007.

9 (II) TRANSIT ENTITIES THAT HAVE OUTSTANDING  
10 OBLIGATIONS SHALL CONTINUE TO RECEIVE MONEY FROM THE FUND  
11 CALCULATED AND PAID IN THE SAME MANNER AS WAS PROVIDED ON  
12 JUNE 30, 2007.

13 (III) TRANSIT ENTITIES THAT DO NOT HAVE OUTSTANDING  
14 OBLIGATIONS SHALL NOT BE ENTITLED TO RECEIVE ADDITIONAL  
15 MONEY FROM THE FUND AFTER JUNE 30, 2007.

16 (IV) NO TRANSIT ENTITY SHALL BE ENTITLED TO PLEDGE  
17 THE MONEY FROM THE FUND TO SECURE ADDITIONAL OBLIGATIONS  
18 ISSUED AFTER JUNE 30, 2007.

19 (V) MONEY REMAINING IN THE FUND AFTER PAYMENTS UNDER  
20 SUBPARAGRAPH (II) SHALL BE TRANSFERRED MONTHLY TO THE  
21 PUBLIC TRANSPORTATION TRUST FUND ESTABLISHED UNDER 74  
22 PA.C.S. § 1506.

23 (VI) PAYMENTS TO TRANSIT ENTITIES UNDER 75 PA.C.S.  
24 CH. 15 SHALL BE CALCULATED AND PAID BY THE DEPARTMENT SO  
25 AS TO DEDUCT FROM THE PAYMENTS AMOUNTS RECEIVED BY THE  
26 TRANSIT ENTITY FROM THE FUND UNDER SUBPARAGRAPH (II).

27 (2) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND  
28 PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
29 SUBSECTION:

30 "DEPARTMENT." THE DEPARTMENT OF TRANSPORTATION OF THE

1 COMMONWEALTH.

2 "FUND." THE PUBLIC TRANSPORTATION ASSISTANCE FUND.

3 "OUTSTANDING OBLIGATIONS." ANY BONDS, NOTES, BOND  
4 ANTICIPATION NOTES, REFUNDING NOTES AND BONDS, INTERIM  
5 CERTIFICATES, DEBENTURES AND OTHER EVIDENCES OF INDEBTEDNESS  
6 OR OBLIGATIONS OF A TRANSIT ENTITY WITH RESPECT TO WHICH  
7 REVENUES FROM THE FUND HAVE BEEN PLEDGED PRIOR TO JUNE 30,  
8 2007.

9 "TRANSIT ENTITY." ANY CLASS OF TRANSIT ENTITY, AS  
10 DEFINED IN FORMER SECTION 1301 OF TITLE 74.

11 SECTION 14. THE FOLLOWING SHALL APPLY:

12 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
13 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF 74  
14 PA.C.S. CH. 81.

15 (2) THE ACT OF SEPTEMBER 30, 1985 (P.L.240, NO.61),  
16 KNOWN AS THE TURNPIKE ORGANIZATION, EXTENSION AND TOLL ROAD  
17 CONVERSION ACT IS REPEALED.

18 (3) SECTION 207.1(C)(2) OF THE ACT OF APRIL 9, 1929  
19 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929,  
20 IS REPEALED INSOFAR AS IT IS INCONSISTENT WITH THE ADDITION  
21 OF 74 PA.C.S. § 8105.

22 (4) ALL OTHER ACTS AND PARTS OF ACTS ARE REPEALED  
23 INSOFAR AS THEY ARE INCONSISTENT WITH THIS ACT.

24 SECTION 15. THE ADDITION OF 74 PA.C.S. CH. 81 IS A  
25 CONTINUATION OF THE ACT OF SEPTEMBER 30, 1985 (P.L.240, NO.61),  
26 KNOWN AS THE TURNPIKE ORGANIZATION, EXTENSION AND TOLL ROAD  
27 CONVERSION ACT. THE FOLLOWING SHALL APPLY:

28 (1) EXCEPT AS OTHERWISE PROVIDED UNDER 74 PA.C.S. CH.  
29 81, ALL ACTIVITIES INITIATED UNDER THE TURNPIKE ORGANIZATION,  
30 EXTENSION AND TOLL ROAD CONVERSION ACT SHALL CONTINUE AND

1       REMAIN IN FULL FORCE AND EFFECT AND MAY BE COMPLETED UNDER 74  
2       PA.C.S. CH. 81. ORDERS, REGULATIONS, RULES AND DECISIONS  
3       WHICH WERE MADE UNDER THE TURNPIKE ORGANIZATION, EXTENSION  
4       AND TOLL ROAD CONVERSION ACT AND WHICH ARE IN EFFECT ON THE  
5       EFFECTIVE DATE OF SECTION 14(2) OF THIS ACT SHALL REMAIN IN  
6       FULL FORCE AND EFFECT UNTIL REVOKED, VACATED OR MODIFIED  
7       UNDER 74 PA.C.S. CH. 81. CONTRACTS, OBLIGATIONS AND  
8       COLLECTIVE BARGAINING AGREEMENTS ENTERED INTO UNDER THE  
9       TURNPIKE ORGANIZATION, EXTENSION AND TOLL ROAD CONVERSION ACT  
10      ARE NOT AFFECTED NOR IMPAIRED BY THE REPEAL OF THE TURNPIKE  
11      ORGANIZATION, EXTENSION AND TOLL ROAD CONVERSION ACT.

12           (2) EXCEPT AS SET FORTH IN PARAGRAPH (3), ANY DIFFERENCE  
13      IN LANGUAGE BETWEEN 74 PA.C.S. CH. 81 AND THE TURNPIKE  
14      ORGANIZATION, EXTENSION AND TOLL ROAD CONVERSION ACT IS  
15      INTENDED ONLY TO CONFORM TO THE STYLE OF THE PENNSYLVANIA  
16      CONSOLIDATED STATUTES AND IS NOT INTENDED TO CHANGE OR AFFECT  
17      THE LEGISLATIVE INTENT, JUDICIAL CONSTRUCTION OR  
18      ADMINISTRATION AND IMPLEMENTATION OF THE TURNPIKE  
19      ORGANIZATION, EXTENSION AND TOLL ROAD CONVERSION ACT.

20           (3) PARAGRAPH (2) SHALL NOT APPLY TO ANY OF THE  
21      FOLLOWING:

22           (I) IN SECTION 8102:

23           (A) PARAGRAPHS (1) AND (6) OF THE DEFINITION OF  
24      "COST OF THE TURNPIKES."

25           (B) PARAGRAPH (2) OF THE DEFINITION OF  
26      "TURNPIKES."

27           (C) THE DEFINITIONS OF "AUDITOR GENERAL'S  
28      CERTIFICATE," "COSTS OF THE DEPARTMENT," "GENERAL  
29      RESERVE FUND SURPLUS," "PUBLIC PASSENGER  
30      TRANSPORTATION," "RURAL STATE HIGHWAY SYSTEM,"

1 "SECRETARY," "STATE HIGHWAY," AND "SYSTEM OF PUBLIC  
2 PASSENGER TRANSPORTATION."

3 (II) IN SECTION 8103:

4 (A) SUBSECTION (A) INTRODUCTORY PARAGRAPH.

5 (B) SUBSECTION (B) INTRODUCTORY PARAGRAPH.

6 (C) SUBSECTION (D) INTRODUCTORY PARAGRAPH.

7 (D) SUBSECTION (E) INTRODUCTORY PARAGRAPH.

8 (III) SECTION 8107(A)(9) AND (10).

9 (IV) SECTION 8112(A)(1)(III), (2) AND (4), (B)(2),  
10 (C)(1), (E) AND (F).

11 (V) SECTION 8113.

12 (VI) SECTION 8114(C) AND (D).

13 (VII) SECTION 8116.

14 (VIII) SECTION 8119(C).

15 SECTION 16. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.