

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2501 Session of  
2010

INTRODUCED BY PALLONE, CREIGHTON, GODSHALL, HORNAMAN, JOSEPHS  
AND METZGAR, OCTOBER 4, 2010

REFERRED TO COMMITTEE ON TRANSPORTATION, OCTOBER 4, 2010

AN ACT

1 Amending Titles 74 (Transportation) and 75 (Vehicles) of the  
2 Pennsylvania Consolidated Statutes, providing for the  
3 conversion of Interstate 80 to a toll road; and making  
4 editorial changes.

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

7 Section 1. Sections 1506(b)(1) and (e)(2) and 8116(a)(3) of  
8 Title 74 of the Pennsylvania Consolidated Statutes are amended  
9 to read:

10 § 1506. Fund.

11 \* \* \*

12 (b) Deposits to fund by department.--

13 (1) The following apply:

14 (i) Except as provided under subparagraph (ii), upon  
15 receipt, the department shall deposit into the fund the  
16 revenues received by the department under 75 Pa.C.S. Ch.  
17 89 (relating to Pennsylvania Turnpike) [and the lease  
18 agreement executed between the department and the  
19 Pennsylvania Turnpike Commission under 75 Pa.C.S. §

8915.3 (relating to lease of Interstate 80; related agreements)] as follows:

(A) For fiscal year 2007-2008, \$250,000,000.

(B) For fiscal year 2008-2009, \$250,000,000.

(C) For fiscal year 2009-2010, \$250,000,000.

(D) For fiscal year 2010-2011 and each fiscal year thereafter, the amount calculated for the previous fiscal year[, increased by 2.5%].

(ii) The deposits made to the fund under this subsection shall equal \$250,000,000 annually for each fiscal year [commencing after the expiration of the conversion period if the conversion notice is not received by the secretary prior to expiration of the conversion period as set forth under 75 Pa.C.S. § 8915.3(3)].

\* \* \*

(e) Program funding amounts.--Subject to available funds, the programs established under this chapter shall be funded annually as follows:

\* \* \*

(2) (i) Except as provided under subparagraph (ii), for the program established under section 1514 (relating to asset improvement program):

(A) By the proceeds of Commonwealth capital bonds deposited into the fund under subsection (c) (2).

(A.1) For fiscal year 2007-2008, \$50,000,000 from the revenues received by the department under 75 Pa.C.S. Ch. 89 [and the lease agreement executed between the department and the Pennsylvania Turnpike

1 Commission under 75 Pa.C.S. § 8915.3]. The amount  
2 received by the department under this section shall  
3 be deposited into the fund prior to distribution and  
4 shall be in addition to the amounts received under  
5 subsection (b)(1).

6 (B) For fiscal year 2008-2009, \$100,000,000 from  
7 the revenues received by the department under 75  
8 Pa.C.S. Ch. 89 [and the lease agreement executed  
9 between the department and the Pennsylvania Turnpike  
10 Commission under 75 Pa.C.S. § 8915.3]. The amount  
11 received by the department under this section shall  
12 be deposited into the fund prior to distribution and  
13 shall be in addition to the amounts received under  
14 subsection (b)(1).

15 (C) For fiscal year 2009-2010, \$150,000,000 from  
16 the revenues received by the department under 75  
17 Pa.C.S. Ch. 89 [and the lease agreement executed  
18 between the department and the Pennsylvania Turnpike  
19 Commission under 75 Pa.C.S. § 8915.3]. The amount  
20 received by the department under this section shall  
21 be deposited into the fund prior to distribution and  
22 shall be in addition to the amounts received under  
23 subsection (b)(1).

24 (D) For fiscal year 2010-2011 and each fiscal  
25 year thereafter, the amount calculated for the prior  
26 fiscal year [increased by 2.5% from the revenues]  
27 received by the department under 75 Pa.C.S. Ch. 89  
28 [and the lease agreement executed between the  
29 department and the Pennsylvania Turnpike Commission  
30 under 75 Pa.C.S. § 8915.3. The amount received by the

department under this section shall be deposited into the fund prior to distribution and shall be in addition to the amounts received under subsection (b) (1)].

[(ii) If the conversion notice is not received by the secretary prior to the end of the conversion period as set forth in 75 Pa.C.S. § 8915.3(3), no additional allocation shall be made under subparagraph (i).

(3) For the program established under section 1516 (relating to programs of Statewide significance), 13.24% of the revenues deposited in the fund under subsection (c) (1) shall be allocated from the fund.

(4) For the program established under section 1517 (relating to capital improvements program), 16.77% of the revenues deposited in the fund under subsection (c) (1). Additional funds for this program may be provided from the funds allocated but not distributed based on the limitation set forth under section 1513(c) (3).]

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

(a) Establishment and changes in toll amounts.--Subject to the terms of any trust indenture entered into by the commission or any resolution authorizing the issuance of any bonds, notes or other obligations of the commission, the commission is authorized to fix and to revise tolls for the use of the Pennsylvania Turnpike System and the different parts or sections of the system, including the turnpike, the turnpike extensions and improvements and the toll road conversions authorized by this chapter. The commission is further authorized to charge and collect tolls; to contract with any person, partnership, 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 service  
5 plazas in the right-of-way along Interstate 80 and for tracks  
6 for railroad or railway use; and to fix the terms, conditions,  
7 rents and rates of charges for use. Tolls shall be fixed and  
8 adjusted as to provide funds at least sufficient with other  
9 revenues of the Pennsylvania Turnpike System, if any, to pay all  
10 of the following:

11 \* \* \*

12 (3) Amounts due to the department under 75 Pa.C.S. Ch.  
13 89 (relating to Pennsylvania Turnpike) and pursuant to the  
14 lease agreement under 75 Pa.C.S. § [8915.3] 89A15.3 (relating  
15 to lease of Interstate 80; related agreements).

16 \* \* \*

17 Section 2. Section 8901 of Title 75 is amended to read:  
18 § 8901. Definitions.

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

22 ["Annual additional payments." As follows:

23 (1) During the conversion period and after the  
24 conversion date, an amount equal to the scheduled annual  
25 commission contribution, minus the sum of:

26 (i) \$200,000,000 paid as annual base payments;

27 (ii) any Interstate 80 savings for that fiscal year.

28 (2) If the conversion period has expired and a  
29 conversion notice has not been received by the secretary, in  
30 each subsequent fiscal year until the end of the term of the

1 lease agreement, the annual additional payments shall be  
2 \$250,000,000.

3 "Annual base payments." An amount equal to the sum of the  
4 following:

5 (1) Annual debt service on outstanding bonds issued  
6 under section 9511.2 (relating to special revenue bonds)  
7 payable as required pursuant to the bonds.

8 (2) Two hundred million dollars payable annually in four  
9 equal installments each due the last business day of each  
10 July, October, January and April.

11 "Annual surplus payments." An amount equal to the general  
12 reserve fund surplus payable for each fiscal year until the end  
13 of the term of the lease agreement.

14 "Auditor General's certificate." The certificate issued by  
15 the Auditor General within 180 days after the end of each fiscal  
16 year of the Pennsylvania Turnpike Commission certifying all of  
17 the following:

18 (1) The amount of the general reserve fund surplus for  
19 the fiscal year.

20 (2) After review of the commission's current ten-year  
21 capital plan, that the transfer of the general reserve fund  
22 surplus under section 8915.3 (relating to lease of Interstate  
23 80; related agreements) shall not impair the ability of the  
24 commission to meet its obligations under the lease agreement  
25 or the commission's ten-year capital plan.]

26 "Commission." The Pennsylvania Turnpike Commission.

27 ["Conversion date." The date set forth in the conversion  
28 notice when the Pennsylvania Turnpike Commission intends to  
29 exercise its option to convert Interstate 80 to a toll road.

30 "Conversion notice." Written notice to the Secretary of

1 Transportation from the Pennsylvania Turnpike Commission  
2 providing notice of its intent to exercise its options to  
3 convert Interstate 80 under section 8915.3(3) (relating to lease  
4 of Interstate 80; related agreements).

5 "Conversion period." A period of three years:

6 (1) which begins on the date of execution of the lease  
7 agreement; and

8 (2) during which the Pennsylvania Turnpike Commission  
9 may give the Department of Transportation conversion notice  
10 or notice that the commission has exercised its option to  
11 extend the conversion period pursuant to section 8915.3(2)  
12 (relating to lease of Interstate 80; related agreements).

13 "Fiscal year." The fiscal year of the Commonwealth.

14 "General reserve fund surplus." The amount which:

15 (1) is certified by the Auditor General in the Auditor  
16 General's certificate as existing in the Pennsylvania  
17 Turnpike Commission's general reserve fund on the last day of  
18 the fiscal year of the commission; and

19 (2) is not required to be retained in the general  
20 reserve fund pursuant to any financial documents, financial  
21 covenants, insurance policies, liquidity policies or  
22 agreements in effect at the commission.

23 "Interstate 80 savings." An amount equal to the following:

24 (1) Prior to the conversion date, the amount shall be  
25 zero.

26 (2) In the first fiscal year, including the conversion  
27 date, the amount shall be a pro rata share of \$116,985,856  
28 calculated using the number of calendar days in the year  
29 after the conversion date divided by 365 days.

30 (3) In the fiscal year succeeding the year, including

1 the conversion date, the amount shall be \$121,665,290.

2 (4) In subsequent fiscal years, the amount shall be the  
3 amount calculated for the previous year increased by 4%.

4 "Lease agreement." A lease agreement between the Department  
5 of Transportation and the Pennsylvania Turnpike Commission which  
6 shall include provisions setting forth the terms of the  
7 conversion of Interstate 80 to a toll road.

8 "Scheduled annual commission contribution." The following  
9 amounts:

10 (1) \$750,000,000 in fiscal year 2007-2008.

11 (2) \$850,000,000 in fiscal year 2008-2009.

12 (3) \$900,000,000 in fiscal year 2009-2010.

13 (4) For fiscal year 2010-2011 and each fiscal year  
14 thereafter, the amount shall be the amount calculated for the  
15 previous year increased by 2.5%, except that the amount shall  
16 be equal to the annual base payments plus \$250,000,000 if the  
17 conversion notice is not received by the secretary prior to  
18 the expiration of the conversion period.]

19 Section 3. Sections 8915.1, 8915.2, 8915.3, 8915.4, 8915.6  
20 and 8915.7 of Title 75 are repealed:

21 [§ 8915.1. Conversion of Interstate 80.

22 In order to facilitate vehicular traffic across this  
23 Commonwealth, the commission is authorized and empowered to do  
24 all of the following:

25 (1) Convert Interstate 80 to a toll road and maintain  
26 and operate it as a toll road.

27 (2) Construct, reconstruct, widen, expand, extend,  
28 maintain and operate Interstate 80 from a point at or near  
29 the Ohio border to a point at or near the New Jersey border,  
30 together with connecting roads, interchanges, slip ramps,

tunnels and bridges.

(3) Issue turnpike revenue bonds, notes or other obligations, payable solely from revenues of the commission, including tolls, or from funds as may be available to the commission for that purpose, to pay the cost of constructing, reconstructing, widening, expanding or extending Interstate 80 or any other costs of Interstate 80 and the Pennsylvania Turnpike.

(4) Provide quarterly reports and periodic updates regarding significant developments with respect to the conversion of Interstate 80 to the chairman and minority chairman of the Transportation Committee of the Senate and the chairman and minority chairman of the Transportation Committee of the House of Representatives. These reports shall include, at a minimum, the status of outstanding discussions with the United States Department of Transportation regarding Interstate 80, the location and construction of tolling-related equipment for Interstate 80, planned capital improvements for Interstate 80 and other information important to implementation of this section.

§ 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 for the conversion of Interstate 80 to a toll road. 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.

(b) Open system.--A toll system shall consist of what is

commonly referred to as an open system with no more than ten toll collection points.

(c) Other agreements.--The commission and the department may enter into any other agreements as may be necessary to effectuate the execution of the application filed under this section.

§ 8915.3. Lease of Interstate 80; related agreements.

The department and the commission shall enter into a lease agreement relating to Interstate 80 prior to October 15, 2007. The lease agreement shall include provisions setting forth the terms and conditions of the conversion of Interstate 80 to a toll road. The lease agreement and any related agreement, at a minimum, shall include the following:

(1) A provision that the term of the lease agreement shall be 50 years, unless extended upon mutual agreement of the parties to the lease agreement and upon approval of the General Assembly.

(2) A provision establishing the conversion period and authorizing extension of the conversion period at the sole option of the commission for three one-year extension periods after consultation with the secretary. The commission shall notify the secretary of its intent to extend the conversion period not less than 90 days before the scheduled expiration of the conversion period. During the conversion period, all legal, financial and operational responsibility for Interstate 80 shall remain with the department. All operations and programmed rehabilitation shall be maintained at levels no less favorable than those set forth in the department's 12-year plan at the time of the execution of the 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 is  
17 payable by the commission under the lease agreement.

18 (b) Use of payment.--The department shall allocate the funds  
19 received under subsection (a) pursuant to 74 Pa.C.S. Ch. 15  
20 (relating to sustainable mobility options).

21 (c) Credits.--The payment made by the commission under this  
22 section shall be credited against the total amount payable by  
23 the commission under the lease agreement for the 2007-2008  
24 fiscal year.

25 § 8915.6. Deposit and distribution of funds.

26 (a) Deposits.--Upon receipt by the department, the following  
27 amounts from the scheduled annual commission contribution shall  
28 be deposited in the Motor License Fund:

29 (1) For fiscal year 2007-2008, \$450,000,000.

30 (2) For fiscal year 2008-2009, \$500,000,000.

1           (3) For fiscal year 2009-2010, \$500,000,000.

2           (4) For fiscal year 2010-2011 and each fiscal year  
3 thereafter, the amount calculated for the previous year  
4 increased by 2.5%.

5       (b) Distribution.--The following shall apply:

6           (1) Annually, 15% of the amount deposited in any fiscal  
7 year under subsection (a) shall be distributed at the  
8 discretion of the secretary.

9           (2) Annually, \$5,000,000 of the amount deposited in any  
10 fiscal year under subsection (a) shall be distributed to  
11 counties.

12           (i) The distribution shall be in the ratio of:

13                   (A) the square footage of deck area of a  
14 county's county-owned bridges; to

15                   (B) the total square footage of deck area of  
16 county-owned bridges throughout this Commonwealth.

17           (ii) The amount of square footage under subparagraph

18           (i) shall be that reported as part of the National Bridge  
19 Inspection Standards Program.

20           (3) Annually, \$30,000,000 of the amount deposited in any  
21 fiscal year under subsection (a) shall be distributed to  
22 municipalities pursuant to the act of June 1, 1956 (1955  
23 P.L.1944, No.655), referred to as the Liquid Fuels Tax  
24 Municipal Allocation Law.

25           (4) Any funds deposited under subsection (a) but not  
26 distributed under paragraphs (1), (2) and (3) shall be  
27 distributed in accordance with needs-based formulas that are  
28 developed and subject to periodic revision based on  
29 consultation and collaboration among metropolitan planning  
30 organizations, rural planning organizations and the

department.

(c) Definitions.--The following words and phrases when used in this section shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Metropolitan planning organization." The policy board of an organization created and designated to carry out the metropolitan transportation planning process.

"Rural planning organization." The organization of counties with populations of less than 50,000 created and designated as local development districts and which carry out the rural transportation planning process.

§ 8915.7. Impact on associated highways and local roads.

Prior to the conversion date and within one year following the conversion date, the commission, in collaboration with the department, shall conduct traffic studies to determine the average daily traffic on associated roads and highways. The purpose of these studies will be to quantify any diversion of traffic from Interstate 80 to other roadways as a result of the conversion. This section shall not require duplication of traffic studies undertaken by the commission as a part of the conversion process or undertaken by the department as a normal course of the department's operations.]

Section 4. Sections 8917(a)(2) and (e) and 8918(a)(1) of Title 75 are amended to read:

§ 8917. Financial plan.

(a) Submission.--

\* \* \*

(2) The financial plan shall demonstrate that the operation of the commission in accordance with the plan can reasonably be anticipated to result in the commission having

unencumbered funds during the ensuing and future fiscal years of the commission sufficient to make the payments due to the department under this chapter and the lease agreement under section 89A15.3 (related to lease of Interstate 80; related agreements) for the ensuing and future fiscal years after all other obligations of the commission have been met. Financial plans prepared after June 1, 2008, shall also describe any deviations that occurred from the financial plan for the prior fiscal year of the commission and the reasons for the deviations.

\* \* \*

[(e) Lease agreement.--The provisions of this section and section 8918 (relating to failure to perform) shall be included in the lease agreement.]

§ 8918. Failure to perform.

(a) Notice.--The Secretary of the Budget shall send written notice to the commission and to the Governor of the failure of the commission to do any of the following:

(1) Make a payment to the department under this chapter or the lease agreement under section 89A15.3 (related to lease of Interstate 80; related agreements).

\* \* \*

Section 5. Title 75 is amended by adding a chapter to read:

CHAPTER 89A

2010 CONVERSION OF INTERSTATE 80

TO TOLL ROAD

Sec.

89A01. Definitions.

89A02. (Reserved).

89A03. (Reserved).

1 89A04. (Reserved).  
2 89A05. (Reserved).  
3 89A06. (Reserved).  
4 89A07. (Reserved).  
5 89A08. (Reserved).  
6 89A09. (Reserved).  
7 89A10. (Reserved).  
8 89A11. (Reserved).  
9 89A12. (Reserved).  
10 89A13. (Reserved).  
11 89A14. (Reserved).  
12 89A15. (Reserved).  
13 89A15.1. Conversion of Interstate 80.  
14 89A15.2. Application to United States Department of  
15 Transportation.  
16 89A15.3. Lease of Interstate 80; related agreements.  
17 89A15.4. (Reserved).  
18 89A15.5. (Reserved).  
19 89A15.6. Deposit and distribution of funds.  
20 89A15.7. Impact on associated highways and local roads.  
21 § 89A01. 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 "Auditor General's certificate." The certificate issued by  
26 the Auditor General within 180 days after the end of each fiscal  
27 year of the Pennsylvania Turnpike Commission's certifying all of  
28 the following:

29 (1) The amount of the general reserve fund surplus for  
30 the fiscal year.

1       (2) After review of the commission's current ten-year  
2       capital plan, that the transfer of the general reserve fund  
3       surplus under section 89A15.3 (relating to lease of  
4       Interstate 80; related agreements) shall not impair the  
5       ability of the commission to meet its obligations under the  
6       lease agreement or the commission's ten-year capital plan.

7       "Commission." The Pennsylvania Turnpike Commission.

8       "Conversion date." The date set forth in the conversion  
9       notice when the Pennsylvania Turnpike Commission intends to  
10      exercise its option to convert Interstate 80 to a toll road.

11      "Conversion notice." Written notice to the Secretary of  
12      Transportation from the Pennsylvania Turnpike Commission  
13      providing notice of its intent to exercise its options to  
14      convert Interstate 80 under section 89A15.3(3) (relating to  
15      lease of Interstate 80; related agreements).

16      "Conversion period." A period of three years:

17           (1) which begins on the date of execution of the lease  
18           agreement; and

19           (2) during which the Pennsylvania Turnpike Commission  
20           may give the Department of Transportation conversion notice  
21           or notice that the commission has exercised its option to  
22           extend the conversion period pursuant to section 89A15.3(2)  
23           (relating to lease of Interstate 80; related agreements).

24      "Fiscal year." The fiscal year of the Commonwealth.

25      "General reserve fund surplus." The amount which:

26           (1) is certified by the Auditor General in the Auditor  
27           General's certificate as existing in the Pennsylvania  
28           Turnpike Commission's general reserve fund on the last day of  
29           the fiscal year of the commission; and

30           (2) is not required to be retained in the general

reserve fund pursuant to any financial documents, financial covenants, insurance policies, liquidity policies or agreements in effect at the commission.

"Lease agreement." A lease agreement between the Department of Transportation and the Pennsylvania Turnpike Commission which shall include provisions setting forth the terms of the conversion of Interstate 80 to a toll road.

"Scheduled annual commission contribution." The annual payment of \$450,000,000 made by the commission to the department.

§ 89A02. (Reserved).

§ 89A03. (Reserved).

§ 89A04. (Reserved).

§ 89A05. (Reserved).

§ 89A06. (Reserved).

§ 89A07. (Reserved).

§ 89A08. (Reserved).

§ 89A09. (Reserved).

§ 89A10. (Reserved).

§ 89A11. (Reserved).

§ 89A12. (Reserved).

§ 89A13. (Reserved).

§ 89A14. (Reserved).

§ 89A15. (Reserved).

§ 89A15.1. Conversion of Interstate 80.

In order to facilitate vehicular traffic across this Commonwealth, the commission is authorized and empowered to do all of the following:

(1) Convert Interstate 80 to a toll road and maintain and operate it as a toll road.

1       (2) Construct, reconstruct, widen, expand, extend,  
2       maintain and operate Interstate 80 from a point at or near  
3       the Ohio border to a point at or near the New Jersey border,  
4       together with connecting roads, interchanges, slip ramps,  
5       tunnels and bridges.

6       (3) Issue turnpike revenue bonds, notes or other  
7       obligations, payable solely from revenues of the commission,  
8       including tolls, or from funds as may be available to the  
9       commission for that purpose, to pay the cost of constructing,  
10      reconstructing, widening, expanding or extending Interstate  
11      80 or any other costs of Interstate 80 and the Pennsylvania  
12      Turnpike.

13      (4) Provide quarterly reports and periodic updates  
14      regarding significant developments with respect to the  
15      conversion of Interstate 80 to the chairman and minority  
16      chairman of the Transportation Committee of the Senate and  
17      the chairman and minority chairman of the Transportation  
18      Committee of the House of Representatives. These reports  
19      shall include, at a minimum, the status of outstanding  
20      discussions with the United States Department of  
21      Transportation regarding Interstate 80, the location and  
22      construction of tolling-related equipment for Interstate 80,  
23      planned capital improvements for Interstate 80 and other  
24      information important to implementation of this section.

25      § 89A15.2. Application to United States Department of  
26      Transportation.

27      (a) Application.--The commission, in consultation with the  
28      department and at its own expense, is authorized to prepare and  
29      submit an application to the United States Department of  
30      Transportation for the conversion of Interstate 80 to a toll

1 road. The secretary shall ensure that all information required  
2 for the application is made available to the commission as soon  
3 as practicable after the effective date of this section.

4 (b) Open system.--A toll system shall consist of what is  
5 commonly referred to as an open system with no more than ten  
6 toll collection points.

7 (c) Other agreements.--The commission and the department may  
8 enter into any other agreements as may be necessary to  
9 effectuate the execution of the application filed under this  
10 section.

11 § 89A15.3. Lease of Interstate 80; related agreements.

12 The department and the commission shall enter into a lease  
13 agreement relating to Interstate 80. The lease agreement shall  
14 include provisions setting forth the terms and conditions of the  
15 conversion of Interstate 80 to a toll road. The lease agreement  
16 and any related agreement, at a minimum, shall include the  
17 following:

18 (1) A provision that the term of the lease agreement  
19 shall be 50 years, unless extended upon mutual agreement of  
20 the parties to the lease agreement and upon approval of the  
21 General Assembly.

22 (2) A provision establishing the conversion period and  
23 authorizing extension of the conversion period at the sole  
24 option of the commission for three one-year extension periods  
25 after consultation with the secretary. The commission shall  
26 notify the secretary of its intent to extend the conversion  
27 period not less than 90 days before the scheduled expiration  
28 of the conversion period. During the conversion period, all  
29 legal, financial and operational responsibility for  
30 Interstate 80 shall remain with the department. All

1 operations and programmed rehabilitation shall be maintained  
2 at levels no less favorable than those set forth in the  
3 department's 12-year plan at the time of the execution of the  
4 lease, with modifications as are approved in writing by the  
5 chairman of the commission.

6 (3) A provision permitting the commission to exercise  
7 its option to convert Interstate 80 to a toll road prior to  
8 the expiration of the conversion period by providing the  
9 conversion notice to the secretary. Beginning on the  
10 conversion date, all legal, financial and operational  
11 responsibility for Interstate 80, as well as all toll  
12 revenues subsequently collected with respect to its use,  
13 shall automatically transfer to the commission. The  
14 secretary, within five business days after receiving the  
15 conversion notice, shall forward notice of the conversion  
16 date to the Legislative Reference Bureau for publication in  
17 the Pennsylvania Bulletin. Any revenues collected prior to  
18 the conversion date shall be retained by the department. The  
19 commission may contract with the department for any portion  
20 of the maintenance of Interstate 80 at cost levels agreed to  
21 by the department and the commission.

22 (4) A provision requiring the commission to pay annual  
23 base payments to the department during the term of the lease  
24 agreement.

25 (5) A provision stating that the obligation of the  
26 commission to pay the annual base payments shall be a  
27 subordinate obligation of the commission payable from amounts  
28 in the general reserve fund of the commission only as  
29 permitted by any financing documents, financial covenants,  
30 liquidity policies or agreements in effect at the commission.

(6) The provisions of sections 8917 (relating to financial plan) and 8918 (relating to failure to perform).  
\$ 89A15.4. (Reserved).

\$ 89A15.5. (Reserved).

\$ 89A15.6. Deposit and distribution of funds.

(a) Deposits.--For fiscal year 2010-2011 and each fiscal year thereafter during which the lease under section 89A15.3 (relating to lease of Interstate 80; related agreements) is in existence, upon receipt by the department, the following amounts from the scheduled annual commission contribution shall be deposited as follows:

(1) \$200,000,000 into the Motor License Fund.

(2) \$250,000,000 into the Public Transportation Trust Fund.

(b) Distribution.--The following shall apply:

(1) Annually, 15% of the amount deposited in any fiscal year under subsection (a) shall be distributed at the discretion of the secretary.

(2) Annually, \$5,000,000 of the amount deposited in any fiscal year under subsection (a) shall be distributed to counties:

(i) The distribution shall be in the ratio of:

(A) the square footage of deck area of a county's county-owned bridges; to

(B) the total square footage of deck area of county-owned bridges throughout this Commonwealth.

(ii) The amount of square footage under subparagraph (i) shall be that reported as part of the National Bridge Inspection Standards Program.

(3) Annually, \$30,000,000 of the amount deposited in any

1 fiscal year under subsection (a) shall be distributed to  
2 municipalities pursuant to the act of June 1, 1956 (1955  
3 P.L.1944, No.655), referred to as the Liquid Fuels Tax  
4 Municipal Allocation Law.

5 (4) Any funds deposited under subsection (a) but not  
6 distributed under paragraphs (1), (2) and (3) shall be  
7 distributed in accordance with needs-based formulas that are  
8 developed and subject to periodic revision based on  
9 consultation and collaboration among metropolitan planning  
10 organizations, rural planning organizations and the  
11 department.

12 (c) Definitions.--The following words and phrases when used  
13 in this section shall have the meanings given to them in this  
14 subsection unless the context clearly indicates otherwise:

15 "Metropolitan planning organization." The policy board of an  
16 organization created and designated to carry out the  
17 metropolitan transportation planning process.

18 "Rural planning organization." The organization of counties  
19 with populations of less than 50,000 created and designated as  
20 local development districts and which carry out the rural  
21 transportation planning process.

22 § 89A15.7. Impact on associated highways and local roads.

23 Prior to the conversion date and within one year following  
24 the conversion date, the commission, in collaboration with the  
25 department, shall conduct traffic studies to determine the  
26 average daily traffic on associated roads and highways. The  
27 purpose of these studies will be to quantify any diversion of  
28 traffic from Interstate 80 to other roadways as a result of the  
29 conversion. This section shall not require duplication of  
30 traffic studies undertaken by the commission as a part of the

conversion process or undertaken by the department as a normal  
course of the department's operations.

Section 6. The definition of "annual debt service payments"  
in section 9501 of Title 75 is amended to read:

§ 9501. Definitions.

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

\* \* \*

"Annual debt service payments." The annual debt service  
payments on the bonds issued under section 9511.2 (relating to  
special revenue bonds) and payable by the commission to the  
department [as part of annual base payments as defined under  
section 8901 (relating to definitions)].

\* \* \*

Section 7. Section 9511.4(a) of Title 75 is amended to read:

§ 9511.4. Special revenue bonds and preliminary or interim  
financing.

(a) Authorization.--The commission is authorized to provide,  
by resolution, for the issuance of special revenue bonds of the  
commission up to an aggregate principal amount not exceeding  
\$5,000,000,000, exclusive of original issue discount, for the  
purpose of paying the cost of the department and bond-related  
expenses. The resolution must recite an estimate of the cost of  
the department. No more than \$600,000,000 in aggregate principal  
amount of special revenue bonds, exclusive of original issue  
discount, may be issued in any calendar year. No bond may be  
issued and outstanding under this section unless the lease  
agreement authorized under section [8915.3] 89A15.3 (relating to  
lease of Interstate 80; related agreements) is in effect as of

1 the date of issuance. No bond may be outstanding beyond the term  
2 of the lease. Special revenue refunding bonds as set forth in  
3 section 9511.9 (relating to special revenue refunding bonds)  
4 shall not be deemed to count against the total or annual maximum  
5 issuance volume. The principal and interest of the bond shall be  
6 payable solely from pledged revenues.

7 \* \* \*

8 Section 8. This act shall take effect in 60 days.