

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2103 Session of  
2011

INTRODUCED BY FRANKEL, DECEMBER 20, 2011

REFERRED TO COMMITTEE ON APPROPRIATIONS, DECEMBER 20, 2011

AN ACT

1 Amending Titles 74 (Transportation) and 75 (Vehicles) of the  
2 Pennsylvania Consolidated Statutes, further providing for  
3 department authorization, for fund, for application and  
4 approval process, for coordination, for asset improvement  
5 program and for programs of Statewide significance; and  
6 making repeals.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. Section 1504(a) of Title 74 of the Pennsylvania  
10 Consolidated Statutes is amended to read:

11 § 1504. Department authorization.

12 (a) General.--The department may, within the limitations  
13 provided in this chapter, incur costs directly and provide  
14 financial assistance for the purposes and activities enumerated  
15 in this chapter. The operation of such programs, activities and  
16 services by the department shall not be subject to the  
17 jurisdiction of the Pennsylvania Public Utility Commission.

18 \* \* \*

19 Section 2. Section 1506(b)(1), (c)(1) and (e) of Title 74  
20 are amended and the section is amended by adding a subsection to

1 read:

2 § 1506. Fund.

3 \* \* \*

4 (a.1) Availability of funds.--Funds not expended in the  
5 fiscal year they were made available shall not lapse and shall  
6 be available until expended.

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

8 (1) The following apply:

9 (i) Except as provided under subparagraph (ii), upon  
10 receipt, the department shall deposit into the fund the  
11 revenues received by the department under 75 Pa.C.S. Ch.  
12 89 (relating to Pennsylvania Turnpike) and the lease  
13 agreement executed between the department and the  
14 Pennsylvania Turnpike Commission under 75 Pa.C.S. §  
15 8915.3 (relating to lease of Interstate 80; related  
16 agreements) as follows:

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

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

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

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

23 (ii) The deposits made to the fund under this  
24 subsection from the turnpike shall equal [\$250,000,000]  
25 \$450,000,000 annually for each fiscal year commencing  
26 [after the expiration of the conversion period if the  
27 conversion notice is not received by the secretary prior  
28 to expiration of the conversion period as set forth under  
29 75 Pa.C.S. § 8915.3(3)] with fiscal year 2012-2013.

30 (c) Other deposits.--The following shall be deposited into

1 the fund annually:

2 (1) [4.4%] 6.4% of the amount collected under Article II  
3 of the Tax Reform Code. Revenues under this paragraph shall  
4 be deposited into the fund by the 20th day of each month for  
5 the preceding month. The amount deposited under this  
6 paragraph is estimated to be equivalent to the money  
7 available to the department from the following sources:

8 (i) The Supplemental Public Transportation Account  
9 established under former section 1310.1 (relating to  
10 supplemental public transportation assistance funding).

11 (ii) The amount appropriated annually by the  
12 Commonwealth from the General Fund for mass transit  
13 programs pursuant to a General Appropriations Act.

14 (2) An amount of proceeds of Commonwealth capital bonds  
15 as determined annually by the Secretary of the Budget.

16 (3) Revenue in the Public Transportation Assistance Fund  
17 established under Article XXIII of the Tax Reform Code not  
18 otherwise dedicated pursuant to law.

19 (4) Other appropriations, deposits or transfers to the  
20 fund.

21 \* \* \*

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

25 (1) For the program established under section 1513  
26 (relating to operating program), the following amounts shall  
27 be allocated from the fund:

28 (i) All revenues deposited in the fund under  
29 subsection (b)(1).

30 (ii) All revenues deposited in the fund under

subsection (b) (2) .

(iii) 69.99% of the revenues deposited in the fund under subsection (c) (1) .

(iv) All revenues deposited into the fund under subsection (c) (3) .

(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 Commission 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) .

(B) For fiscal year 2008-2009, \$100,000,000 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 Commission 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) .

(C) For fiscal year 2009-2010, \$150,000,000 from

1 the revenues received by the department under 75  
2 Pa.C.S. Ch. 89 and the lease agreement executed  
3 between the department and the Pennsylvania Turnpike  
4 Commission under 75 Pa.C.S. § 8915.3. The amount  
5 received by the department under this section shall  
6 be deposited into the fund prior to distribution and  
7 shall be in addition to the amounts received under  
8 subsection (b) (1) .

9 (D) For fiscal year 2010-2011 and each fiscal  
10 year thereafter, the amount calculated for the prior  
11 fiscal year increased by 2.5% from the revenues  
12 received by the department under 75 Pa.C.S. Ch. 89  
13 and the lease agreement executed between the  
14 department and the Pennsylvania Turnpike Commission  
15 under 75 Pa.C.S. § 8915.3. The amount received by the  
16 department under this section shall be deposited into  
17 the fund prior to distribution and shall be in  
18 addition to the amounts received under subsection  
19 (b) (1) .

20 (E) 95% of all revenues deposited in the fund  
21 under subsection (b) (1) .

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

26 (3) For the program established under section 1516  
27 (relating to programs of Statewide significance), [13.24%]  
28 20.63% of the revenues deposited in the fund under subsection  
29 (c) (1) shall be allocated from the fund plus 5% of all  
30 revenue deposited in the fund under subsection (b) (1) .

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

7           Section 3. Sections 1507(a) and (c) and 1512 of Title 74 are  
8           amended to read:

9           § 1507. Application and approval process.

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

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

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

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

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

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

24               (6) Evidence satisfactory to the department of the  
25               commitment for matching funds required under this chapter  
26               sufficient to match the projected financial assistance  
27               payments [at the same times that the financial assistance  
28               payments are to be provided] no later than June 30 of the  
29               applicable fiscal year. If this evidence is not provided,  
30               subsequent funding under section 1513 (relating to operating

1     program) shall be withheld.

2           (7) A statement of policy outlining basic principles for  
3     adjustment in fare revenue growth to meet the rate of  
4     inflation.

5           (8) Any other information the department deems necessary  
6     or desirable.

7     \* \* \*

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

20   Financial assistance under this chapter shall be used only for  
21   activities set forth under the financial waiver allowing the  
22   funds to be used for a different purpose. The department's  
23   regulations shall describe circumstances under which it will  
24   consider waiver requests and shall set forth all information to  
25   be included in a waiver request. The waiver request shall  
26   include a plan of corrective action to demonstrate that the  
27   award recipient does not have an ongoing need to use financial  
28   assistance funds for activities other than those for which funds  
29   were originally awarded and the duration of the waiver cannot  
30   exceed the duration of the plan of corrective action. If the

waiver request and plan are approved, the department shall monitor the implementation of the plan of corrective action. If the plan of corrective action is not implemented by the local transportation organization, the department shall rescind the waiver approval.

§ 1512. Coordination.

(a) Coordination.--Coordination is required in regions where two or more award recipients have services or activities for which financial assistance is being provided under this chapter to assure that the services or activities are provided efficiently and effectively.

(b) Consolidation.--The department may study consolidation of local transportation organizations as a means of reducing annual expenses. Consolidation shall not occur until the department and the affected transportation organizations have jointly conducted a study. The study shall examine the creation of service regions to determine whether consolidation would reduce annual expenses. If the results of the study estimate annual savings, the transportation organizations and local governments shall either implement the recommended actions or provide increased local matching funds equal to the projected annual savings.

(c) Funding for merger and consolidation incentives.--Capital projects that are needed to support local transportation organizations that have agreed to merge and consolidate operations and administration to achieve cost and service efficiencies shall be eligible for financial assistance under this chapter. The application for financial assistance shall identify the efficiencies in a merger and consolidation plan and shall include the expected dollar savings that will result from



1 the merger and consolidation.

2 Section 4. Sections 1514(c) and (e) (3) and 1516(b) (1) and  
3 (e) (3) of Title 74 are amended to read:

4 § 1514. Asset improvement program.

5 \* \* \*

6 (c) Local match requirements.--Financial assistance under  
7 this section shall be matched by local or private cash funding  
8 in an amount not less than [3.33% of the amount of the financial  
9 assistance being provided] 10% of the non-Federal share of the  
10 project cost. The source of funds for the local match shall be  
11 subject to the requirements of section 1513(d) (3) (relating to  
12 operating program).

13 \* \* \*

14 (e) Priorities.--The award of financial assistance under  
15 this section shall be subject to the following set of priorities  
16 in descending order of significance unless a compelling return  
17 on investment analysis for a project in a lower category is  
18 provided to and approved by the department:

19 \* \* \*

20 (3) Other non-Federal capital projects as determined by  
21 the department, which shall be further subject to the  
22 following set of priorities in descending order of  
23 significance:

24 (i) Essential emergency asset improvement projects.

25 (ii) [Standard replacement] Replacement of existing  
26 assets that have exceeded their useful life and asset  
27 improvement projects to extend the useful life of the  
28 affected assets.

29 (iii) [Asset improvement projects to extend the  
30 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 described in section 1515 (relating to new initiatives program), as determined by the department.

\* \* \*

§ 1516. Programs of Statewide significance.

\* \* \*

(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.

\* \* \*

(e) Technical assistance and demonstration.--The department is authorized to provide financial assistance under this section for technical assistance, research and short-term demonstration projects. All of the following shall apply:

\* \* \*

(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 3.33% of the [amount of the financial assistance being provided] non-Federal share of project costs. The sources of funds for the local match shall be subject to the

requirements of section 1513(d) (3) (relating to operating program).

Section 5. Section 1517 of Title 74 is repealed:

[§ 1517. Capital improvements program.

(a) Eligibility.--A local transportation organization may apply for financial assistance under this section.

(b) Applications.--The department shall establish the contents of the application for the program established under this section. The information shall be in addition to information required under section 1507 (relating to application and approval process).

(c) Distribution formula.--The department shall award financial assistance under this section based on the number of passengers. The actual amount awarded to a local transportation organization under this subsection shall be calculated as follows:

(1) Multiply the local transportation organization's passengers by the total amount of funding available under this section.

(2) Divide the product under paragraph (1) by the sum of the passengers for all qualifying local transportation organizations.

(d) Payments.--Financial assistance under this section shall be paid to local transportation organizations at least quarterly.

(e) Reduction in financial assistance.--Financial assistance provided to a local transportation organization under this section shall be reduced by any financial assistance received previously under this section which has not been spent or committed in a contract within three years of its receipt.]

Section 6. Section 8915.6 of Title 75 is repealed:

[§ 8915.6. Deposit and distribution of funds.

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

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

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

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

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

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

1       Municipal Allocation Law.

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

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

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

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

19      Section 7. This act shall take effect in 60 days.