

## AMENDMENTS TO HOUSE BILL NO. 1590

Sponsor: REPRESENTATIVE McCALL

Printer's No. 1971

1 Amend Title, page 1, line 5, by removing the period after  
2 "highways" and inserting  
3 ; authorizing local taxation for public transportation  
4 assistance; repealing provisions relating to public  
5 transportation assistance; providing for transportation issues  
6 and for sustainable mobility options; further providing, in  
7 metropolitan transportation authorities, for board members and  
8 for operation; consolidating the Turnpike Organization,  
9 Extension and Toll Road Conversion Act and further providing for  
10 the Pennsylvania Turnpike Commission; in provisions on the  
11 Pennsylvania Turnpike, further providing for definitions, for  
12 authorizations and for conversion to toll roads and providing  
13 for conversion of Interstate 80, for application and for lease  
14 of Interstate 80; in taxes for highway maintenance and  
15 construction, providing for definitions; further providing for  
16 imposition and for allocation of proceeds; providing for special  
17 revenue bonds, for expenses, for application of proceeds of  
18 obligations, for trust indenture, for exemption, for pledged  
19 revenues, for special revenue refunding bonds, for remedies, for  
20 Motor License Fund proceeds, for construction and for funding;  
21 and making related repeals.

22 Amend Sec. 1 (Chapter Analysis), page 1, by inserting between  
23 lines 13 and 14

24 8602. Local financial support.

25 Amend Sec. 1, page 1, by inserting after line 19

26 § 8602. Local financial support.

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

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

37 (2) Money in the restricted account beyond that

1 necessary under paragraph (1) shall be used for public  
2 passenger transportation, as defined in 74 Pa.C.S. § 1503  
3 (relating to definitions).

4 (b) Taxes.--

5 (1) A county may, by ordinance, impose all of the  
6 following taxes:

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

18 (ii) A use tax on each use within the county of  
19 tangible personal property purchased at retail and on  
20 those services purchased at retail of either 0.25% or  
21 0.5% of the purchase price. The ordinance shall provide  
22 that the tax shall not be paid if the person has paid the  
23 tax imposed under subparagraph (i) or has paid the tax  
24 imposed under this subparagraph to the vendor with  
25 respect to the use. The Department of Revenue shall  
26 administer and collect the tax under this subparagraph in  
27 accordance with Article II of the Tax Reform Code of 1971  
28 and shall distribute the money to the county. As used in  
29 this subparagraph, the terms "purchase price," "tangible  
30 personal property" and "vendor" shall have the meanings  
31 given to them under section 201 of the Tax Reform Code of  
32 1971.

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

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

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

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

52 Amend Sec. 2, page 68, line 26, by striking out "a chapter"

53 and inserting

54 chapters

55 Amend Sec. 2 (Chapter Heading), page 68, line 28, by striking

1 out all of said line and inserting

2 TRANSPORTATION ISSUES

3 Amend Bill, page 69, by inserting between lines 9 and 10

4 Section 2.1. Title 74 is amended by adding a chapter to  
5 read:

6 CHAPTER 15  
7 SUSTAINABLE MOBILITY OPTIONS

8 Sec.

- 9 1501. Scope of chapter.  
10 1502. (Reserved).  
11 1503. Definitions.  
12 1504. Program authorization.  
13 1505. Regulations.  
14 1506. Fund.  
15 1507. Application and approval process.  
16 1508. Federal funding.  
17 1509. Limitation on decisions, findings and regulations of  
18 department.  
19 1510. Program oversight and administration.  
20 1511. Report to Governor and General Assembly.  
21 1512. Coordination.  
22 1513. Operating program.  
23 1514. Asset improvement program.  
24 1515. New initiatives program.  
25 1516. Programs of Statewide significance.  
26 1517. Program oversight and administration.  
27 1518. Retroactive authority.

28 § 1501. Scope of chapter.

29 This chapter relates to sustainable mobility options.

30 § 1502. (Reserved).

31 § 1503. Definitions.

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

35 "Access to jobs project." A project relating to the  
36 development and maintenance of transportation services designed  
37 to transport welfare recipients and eligible low-income  
38 individuals to and from jobs and activities related to their  
39 employment as defined under 49 U.S.C. § 5316 (relating to job  
40 access and reverse commute formula grants).

41 "Americans with Disabilities Act." The Americans with  
42 Disabilities Act of 1990 (Public Law 101-336, 104 Stat. 327).

43 "Asset maintenance costs." All vehicle maintenance expenses,  
44 nonvehicle maintenance and materials expenses and the cost of  
45 supplies used in the operation of local transportation  
46 organizations and transportation companies.

47 "Award recipient." A recipient of financial assistance under  
48 this chapter.

49 "Capital expenditures." All costs of capital projects,  
50 including, but not limited to, the costs of acquisition,  
51 construction, installation, start-up of operations, improvements  
52 and all work and materials incident thereto.

53 "Capital project."

54 (1) A system of public passenger transportation,  
55 including rail transportation facilities used for public  
56 passenger transportation, which facilities may include the

1 following:

2 (i) railway, street railway, subway, elevated and  
3 monorail passenger or passenger and rail rolling stock,  
4 including self-propelled and gallery cars, locomotives,  
5 passenger buses and wires, poles and equipment for the  
6 electrification of any of such rails, tracks and  
7 roadbeds, guideways, elevated structures, buildings,  
8 stations, terminals, docks, shelters and parking areas  
9 for use in connection with the rail transportation  
10 systems, interconnecting lines and tunnels to provide  
11 passenger or passenger and rail service connections  
12 between transportation systems, transportation routes,  
13 corridors and rights-of-way therefor, but not for public  
14 highways;

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

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

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

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

35 "Community transportation service" or "shared ride service."  
36 Door-to-door demand transportation that is available to the  
37 general public on a nonexclusive basis, operates on a nonfixed  
38 route basis and charges a fare to all riders. The term does not  
39 include exclusive ride taxi service, charter and sightseeing  
40 service, nonpublic transportation, school bus and limousine  
41 service.

42 "Community transportation system." A person that provides  
43 community transportation service and contracts with the  
44 Department of Transportation to receive revenue replacement  
45 funds.

46 "Department." The Department of Transportation of the  
47 Commonwealth.

48 "Financial assistance." Grants or other types of financial  
49 support provided by the Department of Transportation under this  
50 chapter.

51 "Fixed guideway system." A fixed-route public transportation  
52 service that uses and occupies a separate right-of-way or rail  
53 line for the exclusive use of public transportation and other  
54 high occupancy vehicles or uses a fixed catenary system and a  
55 right-of-way usable by other forms of transportation. The term  
56 includes light rail, commuter rail, automated guideway transit,  
57 people movers, ferry boat service and fixed guideway facilities  
58 for buses such as bus rapid transit and high occupancy vehicles.

59 "Fixed-route public transportation service." Regularly

1 scheduled general public transportation that is provided  
2 according to published schedules along designated routes, but  
3 that allows for route deviation within the published schedule,  
4 with specified stopping points for the taking on and discharging  
5 of passengers, including public bus and commuter rail systems  
6 and other department-approved service. The term does not include  
7 exclusive ride taxi service, charter or sightseeing service,  
8 nonpublic transportation, school bus and limousine service.

9 "Fund." The Public Transportation Trust Fund established  
10 under section 1506 (relating to fund).

11 "Inflation index." An index established by the Department of  
12 Transportation that is inflation sensitive.

13 "Intercity bus service." Passenger bus service of 35 miles  
14 or more in length that is provided with an over the road bus and  
15 operated between two noncontiguous urbanized areas, between an  
16 urbanized area located in one county and rural communities  
17 located in another county or between rural communities located  
18 in different counties and contains all of the following  
19 elements:

20 (1) Service that is operated for a fare on a regularly  
21 scheduled fixed-route basis.

22 (2) Service that is offered to and utilized by the  
23 general public without preconditions of advance reservation  
24 or membership in a particular organization.

25 "Intercity passenger rail service." Passenger railroad  
26 service that connects two or more urbanized areas and is  
27 determined by the Department of Transportation to qualify as  
28 intercity service rather than commuter rail service.

29 "Job access and reverse commute project." A project funded  
30 by the Federal Transit Administration under Federal law.

31 "Local transportation organization." Any of the following:

32 (1) A political subdivision or a public transportation  
33 port or redevelopment authority organized under the laws of  
34 this Commonwealth or pursuant to an interstate compact or  
35 otherwise empowered to render, contract for the rendering or  
36 assist in the rendering of transportation service in a  
37 limited area in this Commonwealth, even though it may also  
38 render or assist in rendering transportation service in  
39 adjacent states.

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

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

44 "Materials and supplies." Those categories of expenses as  
45 specified in Uniform System of Accounts expense object class  
46 504, National Transit Database operating expenses form F 30,  
47 National Transit Database, Final Rule, Federal Transit  
48 Administration, dated January 15, 1993, or any successor.

49 "Municipality." A city, borough, incorporated town or  
50 township.

51 "New fixed guideway system." A newly-constructed fixed  
52 guideway system in a corridor or alignment where no such system  
53 previously existed.

54 "New freedom program." A public transportation program  
55 designed to provide funds to recipients for new public  
56 transportation services and public transportation alternatives  
57 beyond those required by the Americans with Disabilities Act of  
58 1990 (Public Law 101-336, 104 Stat. 327) that assist individuals  
59 with disabilities with transportation, including transportation

1 to and from jobs and employment support services administered  
2 under the provisions of 49 U.S.C. § 5317 (relating to new  
3 freedom program.)

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

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

10 "Nonvehicle maintenance expenses." The categories of costs  
11 associated with the inspection, maintenance and repair of  
12 assets, other than vehicles, as specified in Uniform System of  
13 Accounts, expense function 042, National Transit Database  
14 operating expenses form, F 30, National Transit Database, Final  
15 Rule, Federal Transit Administration, dated January 15, 1993, or  
16 any successor.

17 "Operating expenses." Total expenses required to continue  
18 service to the public and to permit needed improvements in  
19 service which are not self-supporting and otherwise for any  
20 purpose in furtherance of public passenger transportation,  
21 including all State asset maintenance costs. The term does not  
22 include expenditures for capital projects unless specific  
23 approval is provided by the Department of Transportation.

24 "Operating revenue." The total revenue earned by a local  
25 transportation organization or a transportation company through  
26 its transit operations. The term includes all of the following:

27 (1) Passenger fares.

28 (2) Reimbursements provided in lieu of fares for senior  
29 passengers.

30 (3) Charter, school bus and advertising revenue.

31 (4) Other miscellaneous revenue such as public and  
32 private route guarantee funds.

33 "Paratransit service." Transit service operating on a  
34 nonfixed-route basis in order to provide complementary  
35 transportation service to persons who are functionally unable to  
36 use fixed-route transportation, as required by the Americans  
37 with Disabilities Act of 1990 (Public Law 101-336, 104 Stat.  
38 327).

39 "Passengers." The total of all originating passengers plus  
40 transfer passengers carried on fixed-route service and  
41 paratransit service.

42 "Public passenger transportation." Transportation within an  
43 area that includes a municipality or other built-up place that  
44 is appropriate in the judgment of the Department of  
45 Transportation to serve commuters or others in the locality,  
46 taking into consideration the local patterns and trends of  
47 growth by bus or rail or other conveyance, either publicly or  
48 privately owned, serving the general public. The term does not  
49 include school buses, charter or sightseeing services.

50 "Revenue replacement funds." Payments made to local  
51 transportation organizations and transportation companies to  
52 offset or partially offset fares.

53 "Revenue vehicle hours." The total amount of time calculated  
54 in hours during which vehicles are in service and available for  
55 public use in fixed-route service or paratransit service. The  
56 term does not include deadhead hours.

57 "Revenue vehicle miles." The total amount of distance  
58 calculated in miles during which vehicles are in service and  
59 available for public use in fixed-route service or paratransit

1 service. The term does not include deadhead miles.  
2 "Reverse commute project." A public transportation project  
3 designed to transport residents of urbanized and nonurbanized  
4 areas to suburban employment opportunities as defined under 49  
5 U.S.C. § 5316 (relating to job access and reverse commute  
6 formula grants).  
7 "Secretary." The Secretary of Transportation of the  
8 Commonwealth.  
9 "Senior citizen." A person who is at least 65 years of age.  
10 "Senior passenger." A senior citizen who rides on fixed  
11 route service.  
12 "Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),  
13 known as the Tax Reform Code of 1971.  
14 "Transportation company." A person that renders public  
15 passenger transportation service.  
16 "Urbanized area." A portion of this Commonwealth classified  
17 as urbanized by the United States Bureau of the Census of the  
18 United States Department of Commerce in the most recent Census  
19 of Population.  
20 "Vehicle maintenance expenses." The categories of costs  
21 associated with the inspection, maintenance and repair of  
22 vehicles as specified in Uniform System of Accounts, expense  
23 function 041, National Transit Database operating expenses form  
24 F 30, National Transit Database, Final Rule, Federal Transit  
25 Administration, dated January 15, 1993, or any successor.  
26 "Welfare-to-work." Any Federal or State program designed to  
27 move individuals from dependency on public welfare programs to  
28 self-sufficiency through paid work.  
29 § 1504. Program authorization.  
30 (a) General.--The department may, within the limitations  
31 provided in this chapter, incur costs directly or otherwise  
32 provide financial assistance for the purposes and activities  
33 enumerated in this chapter.  
34 (b) Supplementation of Federal and local funds.--The  
35 authority conferred on the department by this section includes,  
36 but is not limited to, providing financial assistance for public  
37 passenger transportation purposes and to supplement Federal  
38 funding, local funding, or both.  
39 § 1505. Regulations.  
40 (a) General rule.--To effectuate and enforce the provisions  
41 of this chapter, the department shall promulgate necessary rules  
42 and regulations and prescribe conditions and procedures in order  
43 to assure compliance in carrying out the purposes for which  
44 financial assistance may be made under this chapter.  
45 (b) Temporary regulations.--During the two-year period  
46 following the effective date of this section, the department  
47 shall promulgate temporary regulations, which regulations shall  
48 be exempt from the following:  
49 (1) The act of October 15, 1980 (P.L.950, No.164), known  
50 as the Commonwealth Attorneys Act.  
51 (2) Section 205 of the act of July 31, 1968 (P.L.769,  
52 No.240), referred to as the Commonwealth Documents Law.  
53 (3) The act of June 25, 1982 (P.L.633, No.181), known as  
54 the Regulatory Review Act.  
55 Temporary regulations promulgated by the department under this  
56 subsection shall expire four years following the effective date  
57 of this section.  
58 § 1506. Fund.  
59 (a) Establishment and deposits.--A special fund is

1 established within the State Treasury to be known as the Public  
2 Transportation Trust Fund. The following shall be deposited into  
3 the fund annually:

4 (1) Funds under 75 Pa.C.S. § 8915.3(8) (relating to  
5 lease of Interstate 80).

6 (2) The amounts made available to the department as an  
7 executive authorization and an appropriation for the 2007-  
8 2008 fiscal year and each fiscal year thereafter from the  
9 State Lottery Fund for the Free Transit Program for Senior  
10 Citizens established under the act of August 26, 1971  
11 (P.L.351, No.91), known as the State Lottery Law. These  
12 revenues shall be used to provide free public transportation  
13 service to senior citizens when passage is on fixed-route  
14 public transportation services, as authorized by Chapter 9 of  
15 the State Lottery Law and the free service shall be available  
16 to senior citizens at any time during the service provider's  
17 regular hours of service. With regard to passage on commuter  
18 rail service provided to senior citizens, the fare shall  
19 continue to be limited to \$1 per trip as provided under  
20 Chapter 9 of the State Lottery Law, but the limitation shall  
21 be extended to all hours of commuter rail service.

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

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

29 (5) Commencing July 1, 2007, 3.03% of the money  
30 collected from the tax imposed under Article III of the Tax  
31 Reform Code. Within 30 days of the close of a calendar month,  
32 3.03% of the taxes received under Article III of the Tax  
33 Reform Code in the prior calendar month shall be transferred  
34 to the fund.

35 (6) Any other appropriations to the fund.

36 (b) Use of revenues.--

37 (1) Money in the fund shall be used by the department to  
38 provide financial assistance to local transportation  
39 organizations, transportation companies and agencies and  
40 instrumentalities of the Commonwealth under this chapter, for  
41 costs incurred directly by the department in the  
42 administration of public passenger transportation programs,  
43 including under this chapter, and for all other purposes  
44 enumerated in this chapter.

45 (2) Money in the fund is appropriated on a continuing  
46 basis, upon approval of the Governor, to the department to be  
47 used as provided in this chapter. Money in the fund shall not  
48 lapse.

49 (c) Programs.--The fund is authorized to provide the  
50 following:

51 (1) Financial assistance related to operating expenses  
52 to be known as the "operating program." To the extent funds  
53 are available, an amount not less than \$810,000,000 of the  
54 fund shall be allocated to this program in the first fiscal  
55 year following the effective date of this section. Money in  
56 the fund allocated to the operating program shall not be  
57 increased by more than the inflation index in any year.

58 (2) Financial assistance for improvements to capital  
59 assets, replacement of capital assets and expansion of

1 capital assets to be known as the "asset improvement  
2 program." An amount equal to the remaining money in the fund,  
3 less the allocations under paragraphs (1), (3) and (4) shall  
4 be allocated to this program in the first fiscal year  
5 following the effective date of this section. Money in the  
6 fund for this program may include proceeds of Commonwealth  
7 capital bonds.

8 (3) Financial assistance to fund new or expansions of  
9 fixed guideway systems, to be known as the "new initiatives  
10 program." An amount not greater than \$50,000,000 of the fund  
11 shall be allocated to this program in the first fiscal year  
12 following the effective date of this section.

13 (4) Financial assistance related to programs of  
14 Statewide significance as described in section 1516 (relating  
15 to programs of Statewide significance) to be known as the  
16 "programs of Statewide significance program." To the extent  
17 funds are available, an amount not less than \$52,000,000 of  
18 the fund shall be allocated to this program in the first  
19 fiscal year following the effective date of this section.  
20 § 1507. Application and approval process.

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

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

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

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

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

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

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

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

42 (b) Approval and award.--Upon determining that an applicant  
43 has complied with this chapter, applicable rules and regulations  
44 and any other requirement with respect to the financial  
45 assistance requested, the department may award financial  
46 assistance to the applicant, in which case the department and  
47 the applicant shall enter into a financial assistance agreement  
48 setting forth the terms and conditions upon which the financial  
49 assistance shall be used and the timing of payment of the funds.

50 (c) Restriction on use of funds.--Financial assistance under  
51 this chapter shall be used only for activities authorized  
52 originally unless the department grants a waiver to the award  
53 recipient for a different use of the funds. The department's  
54 regulations shall describe circumstances under which it will  
55 consider the waivers and information to be included in a request  
56 for a waiver. The maximum duration of a waiver shall be one  
57 year, and a request for a waiver shall include a plan of  
58 corrective action to demonstrate that the award recipient does  
59 not have an ongoing need to use financial assistance funds for

1 activities other than those for which funds were originally  
2 awarded.

3 § 1508. Federal funding.

4 (a) General rule.--The department shall administer the  
5 program in this chapter with such flexibility as to permit full  
6 cooperation between Federal, State and local governments,  
7 agencies and instrumentalities, local transportation  
8 organizations and private interests, so as to result in as  
9 effective and economical a program as possible.

10 (b) Agreements.--The department may enter into agreements  
11 for mutual cooperation between or among the department and a  
12 Federal agency, local transportation organization or  
13 transportation company concerning a project to be funded with  
14 financial assistance under this chapter, including joint  
15 applications for Federal grants.

16 (c) General authority of department.--The department may do  
17 anything necessary or desirable to secure financial aid or  
18 cooperation of a Federal agency in a project funded with  
19 financial assistance under this chapter and to comply with a  
20 Federal statute or lawful requirement of a Federal agency  
21 authorized to administer a program of Federal aid to  
22 transportation. The department may enter into a protective  
23 agreement with organized labor to the extent required under 49  
24 U.S.C. § 5333 (relating to labor standards) in order to obtain  
25 Federal grant money for transportation assistance. Protective  
26 agreements shall be narrowly drawn and strictly construed to  
27 provide no more than the minimum protections required by the  
28 United States Department of Labor for the agreements.

29 (d) Direct recipients.--Local transportation organizations  
30 that are direct recipients of Federal funding shall be under no  
31 obligation to enter into contracts with the department for  
32 expenditure of those funds, except that the department may  
33 require a contract for expenditure of the State portion of the  
34 project assisted by those Federal funds.

35 § 1509. Limitation on decisions, findings and regulations of  
36 department.

37 All decisions, findings and regulations made by the  
38 department pursuant to this chapter shall be for the purposes of  
39 this chapter only and shall not constitute evidence before a  
40 regulatory body of this Commonwealth or any other jurisdiction.

41 § 1510. Program oversight and administration.

42 (a) Review and oversight.--The department shall initiate and  
43 maintain a program of financial and performance review and  
44 oversight for all public transportation programs receiving  
45 financial assistance under this chapter. The department may  
46 perform independent financial audits of each award recipient.  
47 Audits shall be conducted in accordance with generally accepted  
48 auditing standards and shall ensure compliance by award  
49 recipients with this chapter, department regulations and  
50 policies and financial assistance agreements.

51 (b) State Rail Transit Safety Inspection Program.--The  
52 department may conduct a State Rail Transit Safety Inspection  
53 Program, as may be defined from time to time by the Federal  
54 Transit Administration, to meet oversight requirements of the  
55 Federal Transit Administration. The public transportation modes  
56 covered shall include heavy rail, light rail, trackless trolley  
57 bus and inclined plane services and related facilities.

58 § 1511. Report to Governor and General Assembly.

59 The department shall file a public passenger transportation

1 performance report with the Governor and the General Assembly by  
2 April 30 of each year, covering the prior fiscal year.

3 § 1512. Coordination.

4 Coordination is required in regions where two or more award  
5 recipients have services or activities for which financial  
6 assistance is being provided under this chapter to assure that  
7 the services or activities are provided efficiently and  
8 effectively.

9 § 1513. Operating program.

10 (a) Eligible applicants.--The governing body of a  
11 municipality, county or instrumentality of either, a  
12 Commonwealth agency or instrumentality or a local transportation  
13 organization may apply for financial assistance under the  
14 operating program.

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 applicant's reasonable estimates of operating  
19 revenue and government subsidies sufficient to cover all  
20 projected operating expenses.

21 (c) Distribution formula.--The following distribution  
22 formula shall be applied by the department with respect to the  
23 award of an operating grant:

24 (1) Twenty-five percent of the award amount shall be  
25 based on passengers;

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

28 (3) Thirty-five percent of the award amount shall be  
29 based on revenue vehicle hours;

30 (4) Thirty percent of the award amount shall be based on  
31 revenue vehicle miles.

32 (d) Local match requirements.--

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

36 (i) For the Fiscal Year 2007-2008, the minimum of  
37 local or private cash funding required under this  
38 paragraph shall be:

39 (A) the match required for Fiscal Year 2006-  
40 2007; and

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

42 (ii) For each fiscal year after Fiscal Year 2007-  
43 2008 until the match required under this paragraph is  
44 reached, the minimum of local or private cash funding  
45 required under this paragraph shall be:

46 (A) the match required for the immediately  
47 preceding fiscal year; and

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

49 (iii) There is no maximum on the local or private  
50 cash funding required under this paragraph.

51 (2) For financial assistance to a local transportation  
52 organization, eligible local matching funds shall consist  
53 only of cash contributions provided by one or more  
54 municipalities or counties that are members of the local  
55 transportation organization. The amount of the match and the  
56 time period during which the match must continue to be  
57 available shall be specified in the financial assistance  
58 agreement. Funding provided by local and private entities,  
59 including advertising or naming rights, may be eligible for

1 the match to the extent they provide for the cost of transit  
2 service that is open to the public. The following shall not  
3 be eligible for a local match:

4 (i) Any form of transit operating revenue or other  
5 forms of transit income provided by the local  
6 transportation organization.

7 (ii) Funds used to replace fares.

8 (3) A county or municipality in a metropolitan area  
9 which is a member of a local transportation organization is  
10 authorized to provide annual financial assistance from  
11 current revenues to the local transportation organization of  
12 which it is a member or enter into a long-term agreement for  
13 payment of money to assist in defraying the costs of  
14 operation, maintenance and debt service of the local  
15 transportation organization or of a particular public  
16 transportation project of a local transportation  
17 organization. The obligation of a municipality or county  
18 under an agreement pursuant to this paragraph shall not be  
19 considered to be a part of the indebtedness of the county or  
20 municipality, nor shall the obligation be deemed to impair  
21 the status of any indebtedness of the county or municipality  
22 which would otherwise be considered self-sustaining.

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

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

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

44 (e) Performance reviews.--

45 (1) The department may conduct performance reviews of an  
46 award recipient that receives financial assistance under this  
47 section to determine the efficiency and effectiveness of the  
48 financial assistance. Reviews shall be conducted at regular  
49 intervals as established by the department in consultation  
50 with the management of the award recipient. After completion  
51 of a review, the department shall issue a report that:

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

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

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

58 (iv) provides an action plan documenting who should  
59 perform the recommended actions and a time frame within

1 which they should be performed.

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

14 (f) Performance criteria.--Criteria used for the reviews  
15 conducted under subsection (e) shall consist of passengers per  
16 revenue vehicle hour, operating costs per revenue vehicle hour,  
17 operating revenue per revenue vehicle hour, operating costs per  
18 passenger and other items as the department may establish. The  
19 department's regulations shall set forth the minimum system  
20 performance criteria that an award recipient must satisfy.

21 (g) Failure to satisfy minimum performance criteria.--If a  
22 performance review conducted under subsection (e) reveals:

23 (1) that the performance of an award recipient's  
24 transportation system has decreased compared to performance  
25 determined through a prior review, the department may, upon  
26 the written request of an award recipient, waive any  
27 requirement for a reduction in the amount of financial  
28 assistance to be awarded under this section for a reasonable  
29 time period to allow the award recipient to bring the system  
30 back to the required performance level. The award recipient  
31 shall provide written justification for providing a time  
32 period longer than two years. In order to obtain the waiver  
33 for the period requested, the award recipient must do all of  
34 the following:

35 (i) Develop an action plan to improve system  
36 performance that contains key measurable milestones. The  
37 action plan must be acceptable to the department and must  
38 be approved by the department in writing.

39 (ii) Submit quarterly progress reports on the action  
40 plan to the department.

41 (2) The department shall review and evaluate the award  
42 recipient's progress to determine if the system has improved.  
43 If the system has improved, funding will be determined by the  
44 formula under subsection (c), and the award recipient will be  
45 eligible for full formula funding. If the system has not  
46 improved at the end of the time period established for  
47 improvement, the waiver will be withdrawn. Expenses incurred  
48 by the award recipient as a result of the failure of the  
49 award recipient's system to meet the minimum performance  
50 criteria shall be borne by the award recipient.

51 (h) Adjustments to minimum performance criteria.--Upon  
52 written request of a recipient of financial assistance under  
53 this section, the department may approve adjustments to the  
54 minimum performance criteria described in subsection (g) in a  
55 given year if situations arise that affect performance of the  
56 award recipient's system and are out of the award recipient's  
57 control. Examples are labor strikes, infrastructure failures and  
58 natural disasters. The request must include the award  
59 recipient's justification for the adjustment.

1 (i) Periodic review of formula.--The department, in  
2 consultation with all award recipients, shall review the  
3 distribution formula established under subsection (c) at least  
4 once every three years and, prior to the start of the next  
5 succeeding fiscal year, shall recommend adjustments it deems  
6 appropriate. If an adjustment results in a change of five  
7 percentage points or less in any category, the department shall  
8 forward a notice of the change to the Legislative Reference  
9 Bureau for publication in the Pennsylvania Bulletin, and the  
10 change shall take effect at the commencement of the next fiscal  
11 year. If an adjustment results in a change in excess of five  
12 percentage points in any category, the change shall be  
13 incorporated into the department's regulations by amendment and  
14 shall take effect at the commencement of the next fiscal year  
15 following promulgation of the amendment.

16 (j) Needs-based adjustment.--In order to allow an award  
17 recipient that was receiving financial assistance under former  
18 Chapter 13 (relating to public transportation assistance) prior  
19 to the effective date of this section to transition into the  
20 funding formula established under subsection (c), the department  
21 shall provide the award recipient, as part of the award under  
22 this section, with a needs-based adjustment. The needs-based  
23 adjustment shall be calculated by increasing the amount that the  
24 award recipient received under Chapter 13 for operating expenses  
25 and asset maintenance costs in the 2005-2006 fiscal year and  
26 increasing the resulting amount by an adjustment factor to  
27 assure a funding level consistent with the operating funding  
28 needs as identified by the department. Funds remaining after the  
29 needs-based adjustment is applied shall be set aside in an  
30 operating reserve account to be used at the department's  
31 discretion for short-term public passenger transportation needs.  
32 The department's regulations shall establish the manner in which  
33 the funds in the reserve account may be used.

34 (k) Growth caps.--Each fiscal year after the fiscal year in  
35 which the department provides a needs-based adjustment under  
36 subsection (i), the department shall determine the maximum  
37 percentage increase that an award recipient shall be eligible to  
38 receive for operating expenses in addition to an increase tied  
39 to the inflation index amount. The maximum percentage increase  
40 shall be capped at the inflation index rate of the award  
41 recipient's transportation system's passengers per revenue hour,  
42 or revenue per revenue vehicle hour performance, falls below  
43 peer system average or if the operating cost per revenue hour or  
44 operating cost per passenger exceeds the peer system average.  
45 Notwithstanding the provisions of this subsection, money  
46 available for financial assistance under this section shall at  
47 all times be capped by the amount of money in the fund allocated  
48 for the operating program.

49 (l) Operating reserve.--The department may establish a  
50 limitation on the amount of financial assistance awarded under  
51 this section that may be carried over for use in subsequent  
52 fiscal years.

53 (m) Certification.--The Commonwealth shall not provide  
54 financial assistance to a municipality under this section unless  
55 the municipality certifies the amount of its local match under  
56 subsection (d).

57 § 1514. Asset improvement program.

58 (a) Eligible applicants.--A local transportation  
59 organization, an agency or instrumentality of the Commonwealth,

1 an entity responsible for coordinating community transportation  
2 program services, or any other person the department deems to be  
3 eligible may apply to the department for financial assistance  
4 under the asset improvement program. The department shall  
5 develop and maintain four-year and twelve-year plans that  
6 summarize the capital projects and financial assistance for  
7 capital projects based upon cash flow and revenue projections  
8 for the fund.

9 (b) Applications.--In addition to information required under  
10 section 1507 (relating to application and approval process), an  
11 application for financial assistance under this section shall  
12 include the following:

13 (1) Evidence satisfactory to the department that the  
14 proposed capital project is included in the first year of the  
15 applicant's four-year capital program and its federally  
16 approved Transportation Improvement Program.

17 (2) If an applicant is requesting financial assistance  
18 for replacement of capital assets, evidence satisfactory to  
19 the department that the capital assets to be replaced have  
20 exceeded the useful life criteria as defined by the  
21 department. At its discretion, the department may approve  
22 funding to replace capital assets that do not exceed the  
23 useful life criteria if the applicant provides documentation  
24 acceptable to the department to justify the early replacement  
25 of the capital assets.

26 (3) If the applicant is requesting financial assistance  
27 for expansion of capital assets, evidence satisfactory to the  
28 department that the applicant will have sufficient future  
29 annual operating funds to support the proposed expansion of  
30 the assets.

31 (4) Any other information required by the department,  
32 including a return on investment analysis or a life cycle  
33 cost analysis, or both.

34 (c) Local match requirements.--Financial assistance under  
35 this section shall be matched by local or private cash funding  
36 in an amount not less than 20% of the amount of the financial  
37 assistance. The source of funds for the local match shall be  
38 subject to the requirements of section 1513(d) (relating to  
39 operating program). Each capital project shall be based on the  
40 plan approved by the department.

41 (d) Conditions for receipt of bond funding.--An applicant  
42 may receive proceeds of Commonwealth capital bonds from the fund  
43 for financial assistance under this section if all of the  
44 following conditions are met:

45 (1) The applicant's project has been authorized by a  
46 capital budget project itemization act.

47 (2) The applicant's project shall have been included in  
48 the department's approved annual release request approving  
49 the use of the funds for the proposed capital project in the  
50 fiscal year in which the funds are expected to be expended.

51 (3) The department shall have approved the underlying  
52 application for the capital project.

53 (4) The project has a 20-year or longer useful life.

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

59 (1) Funds required to support existing local bond issues

1 currently supported with State revenue sources, such as debt  
2 service and asset leases. The Commonwealth pledges to and  
3 agrees with any person, firm or corporation holding any bonds  
4 previously issued by, or any other debt incurred by, a local  
5 transportation organization, and secured in whole or part by  
6 a pledge of the funds provided to the local transportation  
7 organization from the Public Transportation Assistance Fund  
8 established under Article XXIII of the Tax Reform Code, that  
9 the Commonwealth will not limit or alter rights vested in a  
10 local transportation organization in any manner inconsistent  
11 with obligations of the local transportation organization to  
12 the obligees of the local transportation organization until  
13 all bonds previously issued or other debt incurred, together  
14 with the interest thereon, is fully paid or provided for.

15 (2) Funds required to match federally approved capital  
16 projects funded under 49 U.S.C. §§ 5307 (relating to  
17 urbanized area formula grants) and 5309 (relating to capital  
18 investment grants and loans) and other federally approved  
19 capital projects.

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 of existing assets that  
26 have exceeded their useful life.

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

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

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

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

46 § 1515. New initiatives program.

47 (a) Eligible applicants.--Persons eligible to apply for  
48 financial assistance under the asset improvement program shall  
49 also be eligible to apply for financial assistance under the new  
50 initiatives program.

51 (b) Applications.--In addition to the information required  
52 under section 1507 (relating to application and approval  
53 process), an application for financial assistance under this  
54 section shall include all of the information required in an  
55 application for financial assistance under section 1514  
56 (relating to asset improvement program). If the application is  
57 for a proposed expansion of a capital asset, the application  
58 shall also contain evidence satisfactory to the department that  
59 the applicant will have sufficient future annual operating funds

1 to support the proposed expansion.

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

11 (1) Investments in existing service areas have been  
12 optimized.

13 (2) An analysis reveals a reasonable return on  
14 investment.

15 (3) Identification of the public benefit of the project.

16 (4) Required local funds are available to pay any  
17 required local match for the project and ongoing operating  
18 costs.

19 (5) There exists local technical ability and capacity to  
20 manage, construct and operate the project.

21 (6) The project is supported by the adoption of an  
22 integrated land use plan by local municipalities.

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

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

32 § 1516. Programs of Statewide significance.

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

39 (1) The Persons with Disabilities Program.

40 (2) Intercity rail and bus services.

41 (3) Community transportation capital and service  
42 stabilization.

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

45 (5) Demonstration and research projects.

46 (6) Technical assistance.

47 (7) (Reserved).

48 (8) (Reserved).

49 (9) (Reserved).

50 (10) (Reserved).

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

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

59 (1) A community transportation system operating in the

1 Commonwealth other than in counties of the first and second  
2 class may apply for financial assistance under this  
3 subsection.

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

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

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

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

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

50 (4) Local match requirements are as follows:

51 (i) For intercity bus operating and capital  
52 assistance, the department shall require a local match by  
53 local or private cash funding in an amount equal to 100%  
54 of the amount of the financial assistance being provided.

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

59 (5) For purposes of this subsection, "local match" is

1 defined as local revenue obtained from other nonsubsidized  
2 services, such as charter, school bus or profits realized  
3 from other intercity bus services. Local match shall not  
4 include any funds received from Federal or State sources.

5 (d) Community transportation.--

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

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

10 (ii) To stabilize current service and fares.

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

14 (iv) To maximize available funding including Federal  
15 dollars.

16 (v) To ensure equitable cost sharing.

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

24 (i) An applicant for financial assistance for  
25 capital expenditures for the provision of public  
26 community transportation service shall certify to the  
27 department that it has taken all reasonable steps to  
28 coordinate local service for the elderly and persons with  
29 disabilities and that the services to be offered with the  
30 capital assets do not duplicate existing fixed-route  
31 services.

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

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

39 (B) The coordinator is a private for-profit  
40 provider.

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

43 (i) Short-term, long-term and strategic planning.

44 (ii) Technology investment.

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

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

49 (v) Marketing activities.

50 (vi) Other stabilization purposes approved by the  
51 department.

52 (4) The department shall give high priority to providing  
53 financial assistance under this subsection as match for  
54 Federal funding to support capital projects for community  
55 transportation systems.

56 (5) The department shall conduct a study to evaluate the  
57 effectiveness and efficiency of community transportation  
58 service delivery as it relates to human service programs. The  
59 Department of Public Welfare, the Office of the Budget and

1 the Department of Aging and other appropriate Commonwealth  
2 agencies identified by the department shall participate and  
3 fully support the study to achieve the intended purposes.  
4 Within two years following the effective date of this  
5 section, these agencies shall make recommendations to the  
6 Governor and the Majority and Minority chairpersons of the  
7 Transportation Committee of the Senate and the Majority and  
8 Minority chairpersons of the Transportation Committee of the  
9 House of Representatives for improving coordination and  
10 efficiency of human services and community transportation.

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

21 (1) A local transportation organization, a  
22 transportation company designated by a county as the  
23 coordinator of community transportation services and any  
24 other person approved by the department may apply to the  
25 department for financial assistance under this subsection.

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

28 (i) Fixed-route service subsidy.

29 (ii) Contracted transportation services.

30 (iii) Fixed-route fare discounts.

31 (iv) Community transportation fare discounts.

32 (v) Taxi fare discounts.

33 (vi) Mileage reimbursement.

34 (vii) Vehicle purchase, insurance, maintenance and  
35 repair.

36 (viii) Driver education classes.

37 (ix) Administrative expenses.

38 (x) Case management expenses.

39 (xi) Any other activities consistent with the  
40 transportation related elements of the welfare-to-work  
41 program.

42 (3) The department shall give high priority to providing  
43 financial assistance under this subsection as match for  
44 Federal funding to support projects with similar purposes and  
45 eligible uses, including the Federal Job Access Reverse  
46 Commute and New Freedoms programs.

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

51 (1) A local transportation organization or an agency or  
52 instrumentality of the Commonwealth may apply to the  
53 department for financial assistance under this subsection.

54 (2) Financial assistance provided under this subsection  
55 may be used for reimbursement for any approved operating or  
56 capital costs related to technical assistance and  
57 demonstration program projects. Financial assistance for  
58 short-term demonstration projects may be provided at the  
59 department's discretion on an annual basis based on the level

1 of financial commitment provided by the award recipient to  
2 provide ongoing future funding for the project as soon as the  
3 project meets the criteria established by the department and  
4 the award recipient. Financial assistance for this purpose  
5 shall not be provided for more than three fiscal years.  
6 Financial assistance may be provided to meet any short-term  
7 emergency need that requires immediate attention and cannot  
8 be funded through other sources.

9 (3) Financial assistance under this subsection provided  
10 to a local transportation organization shall be matched by  
11 local or private cash funding in an amount not less than 3  
12 1/3% of the amount of the financial assistance being  
13 provided. The sources of funds for the local match shall be  
14 subject to the requirements of section 1513(d) (relating to  
15 operating program).

16 § 1517. Program oversight and administration.

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

23 § 1518. Retroactive authority.

24 (a) Date of project.--Financial assistance may be awarded  
25 under this chapter by the department with reference to an  
26 appropriate project irrespective of when it was first commenced  
27 or considered and regardless of whether costs with respect to  
28 the project were incurred prior to the time the financial  
29 assistance is applied for or provided.

30 (b) Capital projects.--

31 (1) For capital projects, the applicant must obtain  
32 approval in writing from the department prior to incurring  
33 any expenses for which the applicant may later seek  
34 reimbursement.

35 (2) Notwithstanding paragraph (1), approval by the  
36 department shall not constitute an approval of the  
37 applicant's underlying request for financial assistance.

38 (3) By providing preapproval under this subsection, the  
39 department may recognize any local funds already expended as  
40 satisfying the local match requirement if and when the  
41 applicant's application is approved.

42 Section 2.2. Sections 1713(a) and 1715(a) of Title 74 are  
43 amended to read:

44 § 1713. Appointment of board members.

45 (a) Appointment.--Except as provided in subsection (d) with  
46 respect to the continuation in office of members of the board of  
47 any authority established under the former provisions of Article  
48 III of the act of January 22, 1968 (P.L.42, No.8), known as the  
49 Pennsylvania Urban Mass Transportation Law, or the former  
50 provisions of Chapter 15 (relating to metropolitan  
51 transportation authorities), at any time after the effective  
52 date of this chapter:

53 (1) The Governor may appoint as a member of the board  
54 one person who may be an ex officio appointee from among the  
55 various officials in this Commonwealth and whose term as a  
56 board member shall run concurrently with that of his  
57 Commonwealth position, if any, or the term of the appointing  
58 Governor, whichever is shorter.

59 (2) The Majority Leader and the Minority Leader of the

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

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

11 (i) Two members for counties which contribute less  
12 than 7.5% of total local match required for State  
13 operating financial assistance.

14 (ii) Three members for counties which contribute at  
15 least 7.5% but less than 25% of total local match  
16 required for State operating financial assistance.

17 (iii) Four members for counties which contribute at  
18 least 25% of total local match required for State  
19 operating financial assistance.

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

26 (5) The Secretary of Budget.

27 (6) The Secretary of Transportation or his deputy  
28 secretary shall be nonvoting members.

29 (7) Each member appointed by a county shall have a  
30 professional background expertise or substantial experience  
31 in one or more of the following areas:

32 (i) Transportation.

33 (ii) Finance.

34 (iii) Law.

35 (iv) Tourism.

36 (v) Ridership community groups.

37 (vi) Land use and urban planning.

38 \* \* \*

39 § 1715. Meetings, quorum, officers and records.

40 (a) Meetings.--Regular meetings of the board shall be held  
41 in the metropolitan area at least once in each calendar month  
42 except July or August, the time and place of the meetings to be  
43 fixed by the board. A majority of the board shall constitute a  
44 quorum for the transaction of business. All action of the board  
45 shall be by resolution, and the affirmative vote of a majority  
46 of all the members shall be necessary for the adoption of any  
47 resolution. No action by the board to which an express objection  
48 has been made, under this section, by a board member or members  
49 representing a county or counties having one-third or more of  
50 the population of the metropolitan area, as determined by the  
51 most recent decennial census, shall be carried unless supported  
52 at a subsequent regular meeting of the board by the votes of at  
53 least [three-quarters] 70% of the voting membership of the  
54 board. In case of disagreement between members representing the  
55 same county, each member shall be deemed to represent [one-half]  
56 an equal proportion of the population of that county.

57 \* \* \*

58 Section 2.3. Title 74 is amended by adding a chapter to  
59 read:

1 CHAPTER 81

2 TURNPIKE

3 Sec.

4 8101. Scope of chapter.

5 8102. Definitions.

6 8103. (Reserved).

7 8104. Status of turnpike revenue bonds, notes or other  
8 obligations.

9 8105. Commission.

10 8106. Exercise of commission powers.

11 8107. Commission powers and duties.

12 8108. Expenses and bonding of commission members.

13 8109. Acquisition of property rights by commission.

14 8110. Procedural requirements of acquisition.

15 8111. Entry and possession of property condemned.

16 8112. Issuance of turnpike revenue bonds or other  
17 obligations.

18 8113. Obligation proceeds restricted and lien created.

19 8114. Trust indenture authorized.

20 8115. Commission and obligations tax exempt.

21 8116. Collection and disposition of tolls and other revenue.

22 8116.1. Electronic toll collection.

23 8117. Refunding bonds.

24 8118. Rights of obligation holders and trustees.

25 8119. Authority granted to secretary.

26 8120. Construction of chapter.

27 § 8101. Scope of chapter.

28 This chapter relates to turnpike organization, extension and  
29 toll road conversion.

30 § 8102. Definitions.

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

34 "Commission." The Pennsylvania Turnpike Commission.

35 "Cost of the turnpikes." The term includes the cost of:

36 (1) Constructing turnpikes, connecting roads, storm  
37 water management systems, tunnels and bridges.

38 (2) Lands, property rights, rights-of-way, easements and  
39 franchises acquired by purchase or other means deemed  
40 necessary or convenient for construction.

41 (3) Machinery and equipment, financing charges and  
42 interest prior to construction, during construction and for  
43 one year after completion of construction.

44 (4) Traffic estimates, engineering and legal expenses,  
45 plans, specifications, surveys, cost and revenue estimates,  
46 other expenses necessary or incident to determining the  
47 feasibility or practicability of the enterprise,  
48 administrative and legal expense and other expenses as may be  
49 necessary or incident to financing authorized in this  
50 chapter.

51 (5) Condemnation or other means of acquisition of  
52 property necessary for the construction and operation.

53 (6) An obligation or expense contracted for by the  
54 commission with the department or with the United States or a  
55 Federal agency for any of the following:

56 (i) Traffic surveys, preparation of plans and  
57 specifications, supervision of construction and other  
58 engineering and administrative and legal services and  
59 expenses in connection with the construction of the

1 turnpike or any of the connecting roads, storm water  
2 management systems, tunnels and bridges.

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

8 "Department." The Department of Transportation of the  
9 Commonwealth.

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

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

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

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

26 "Owner." Except as provided under section 8116.1(e)  
27 (relating to electronic toll collection), an individual,  
28 copartnership, association or corporation having title or  
29 interest in a property right, easement or franchise authorized  
30 to be acquired under this chapter.

31 "Secretary." The Secretary of Transportation of the  
32 Commonwealth.

33 "Toll road conversion." The inclusion within the turnpike  
34 system and the imposition of tolls on the system of a highway  
35 that is presently toll free.

36 "Turnpikes." Any of the following:

37 (1) The turnpike, turnpike extensions and turnpike  
38 improvements.

39 (2) Toll-free roads to be converted to toll roads under  
40 this chapter.

41 (3) Related storm water management systems, tunnels and  
42 bridges, property rights, easements and franchises deemed  
43 necessary or convenient for the construction or the operation  
44 of the turnpike, turnpike extension, turnpike improvement and  
45 toll-free roads.

46 "Vehicle." The term as it is defined under 75 Pa.C.S. § 102  
47 (relating to definitions).

48 "Violation enforcement system." A vehicle sensor, placed in  
49 a location to work in conjunction with a toll collection  
50 facility, which automatically produces a videotape or  
51 photograph, microphotograph or other recorded image of the rear  
52 portion of each vehicle at the time the vehicle is used or  
53 operated in violation of the toll collection regulations. The  
54 term includes any other technology which identifies a vehicle by  
55 photographic, electronic or other method.

56 § 8103. (Reserved).

57 § 8104. Status of turnpike revenue bonds, notes or other  
58 obligations.

59 (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.

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

34 (3) Notwithstanding any other law to the contrary, the  
35 Majority Leader of the House of Representatives and the  
36 Minority Leader of the House of Representatives shall each  
37 appoint one additional member to serve on the commission.

38 (4) A vacancy occurring during the term of a member  
39 appointed in accordance with this subsection shall be filled  
40 in a like manner only for the unexpired appointive term of  
41 the member whose office has become vacant.

42 (5) Members appointed under the provisions of this  
43 subsection shall serve for a term of four years. Upon the  
44 expiration of this term, an appointed member may continue to  
45 hold office for 90 days or until a successor shall be duly  
46 appointed and qualified, whichever period is shorter, but  
47 shall not continue to hold office thereafter unless  
48 reappointed in accordance with law.

49 (6) Vacancies filled under paragraph (1) and subsequent  
50 appointments made to the commission shall be without the  
51 advice and consent of the Senate.

52 (a.1) Advisory committee.--

53 (1) There is hereby established a Pennsylvania Turnpike  
54 Advisory Committee, which shall be composed of the following  
55 members:

56 (i) The Secretary of Community and Economic  
57 Development.

58 (ii) The Secretary of Revenue.

59 (iii) The State Treasurer.

1           (iv) The chairman and minority chairman of the  
2 Transportation Committee of the Senate.

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

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

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

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

18           (C) Two representatives from organized labor  
19 unions.

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

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

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

29           (3) The term of all members of the committee appointed  
30 by the Governor shall be for three years. Any member of the  
31 committee may be reappointed for no more than two full  
32 successive terms. Any person appointed to fill a vacancy  
33 occurring prior to the expiration of the term to which his  
34 predecessor was appointed shall serve only for the unexpired  
35 term. Each member shall serve until the appointment of a  
36 successor.

37           (4) (i) The committee shall meet at least four times  
38 every 12 months, but may hold such additional meetings as  
39 are called by the chairman. The chairman shall provide  
40 notice at least 14 days in advance for regular meetings  
41 and provide a minimum of three days' notice for special  
42 meetings. A majority of the appointed members shall  
43 constitute a quorum for the conduct of business.

44           (ii) Minutes of meetings shall be prepared by the  
45 secretary and filed with the committee and distributed to  
46 all members. All records shall be a matter of public  
47 record.

48           (iii) The public members of the committee shall be  
49 allowed reasonable per diem expenses as established and  
50 paid for by the commission. The commission shall provide  
51 appropriate staff support to enable the committee to  
52 properly carry out its functions.

53           (5) The committee shall have the power and duty to  
54 consult and advise the Pennsylvania Turnpike Commission in  
55 assisting in developing, operating and financing tolled  
56 interstate systems within this Commonwealth in a timely,  
57 efficient and cost-effective manner. Specifically, the  
58 committee shall have the authority to conduct a study on the  
59 feasibility of instituting toll collections on major

1 interstates that pass through the State.

2 (6) The committee shall submit an annual report of its  
3 deliberations and conclusions to the Governor and members of  
4 the General Assembly by November 30 of each year.

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

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

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

20 (f) Actions by the commission.--Notwithstanding any other  
21 law, court decision, precedent or practice to the contrary, any  
22 and all actions by or on behalf of the commission shall be taken  
23 solely upon the approval of a majority of the members to the  
24 commission. A majority of the members of the commission shall  
25 mean five members of the commission. The term "actions by or on  
26 behalf of the commission" means any action whatsoever of the  
27 commission, including, but not limited to, the hiring,  
28 appointment, removal, transfer, promotion or demotion of any  
29 officers and employees; the retention, use or remuneration of  
30 any advisors, counsel, auditors, architects, engineers or  
31 consultants; the initiation of any legal action; the making of  
32 any contracts, leases, agreements, bonds, notes or covenants;  
33 the approval of requisitions, purchase orders, investments and  
34 reinvestments; and the adoption, amendment, revision or  
35 rescission of any rules and regulations, orders or other  
36 directives. The chairman, vice chairman or any other officer or  
37 employee of the commission may take no action by or on behalf of  
38 the commission except as expressly authorized by a majority of  
39 the members of the commission.

40 (g) Compensation.--The annual salary of the Chairman of the  
41 Pennsylvania Turnpike Commission shall be \$28,500, and the  
42 annual salary of the remaining members of the Pennsylvania  
43 Turnpike Commission shall be \$26,000. These salaries shall be  
44 paid in equal installments every other week.

45 § 8106. Exercise of commission powers.

46 The exercise by the commission of the powers conferred by  
47 this chapter in the construction, operation and maintenance of  
48 the turnpikes and in effecting toll road conversions shall be  
49 deemed and held to be an essential governmental function of the  
50 Commonwealth.

51 § 8107. Commission powers and duties.

52 (a) Powers and duties of commission.--The commission may:

53 (1) Maintain a principal office at a place designated by  
54 the commission.

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

56 (3) Sue and be sued in its own name, plead and be  
57 impleaded. Any civil action against the commission shall be  
58 brought only in the courts in which actions may be brought  
59 against the Commonwealth.

1           (4) Have an official seal.  
2           (5) Make necessary rules and regulations for its own  
3 government and in control of traffic.  
4           (6) Acquire, hold, accept, own, use, hire, lease,  
5 exchange, operate and dispose of personal property, real  
6 property and interests in real property and make and enter  
7 into all contracts and agreements necessary or incidental to  
8 the performance of its duties and the execution of its powers  
9 under this chapter and employ engineering, traffic,  
10 architectural and construction experts and inspectors,  
11 attorneys and other employees as may in its judgment be  
12 necessary and fix their compensation.  
13           (7) (i) Provide grade separations at its own expense  
14 with respect to all public roads, State highways and  
15 interstate highways intersected by the turnpikes and to  
16 change and adjust the lines and grades thereof so as to  
17 accommodate the same to the design for grade separation.  
18           (ii) The damages incurred in changing and adjusting  
19 the lines and grades of public roads, State highways and  
20 interstate highways shall be ascertained and paid by the  
21 commission in accordance with 26 Pa.C.S. (relating to  
22 eminent domain).  
23           (iii) If the commission shall find it necessary to  
24 provide a grade separation or change the site of any  
25 portion of any interstate highway, State highway or  
26 public road, or vacate the same, the commission shall  
27 cause it to be reconstructed and restored at the  
28 commission's expense on the most favorable location and  
29 in as satisfactory a manner as the original road or  
30 vacate it as the case may be.  
31           (iv) The method of acquiring the right-of-way and  
32 determining damages incurred in changing the location of  
33 or vacating the road, State highway or interstate highway  
34 shall be ascertained and paid for in accordance with 26  
35 Pa.C.S.  
36           (8) Petition the court of common pleas of the county in  
37 which any public road or part thereof is located and affected  
38 by the location of the turnpikes, for the vacation,  
39 relocation or supply of the same or any part thereof with the  
40 same force and effect as is now given by existing laws to the  
41 inhabitants of any township or the county, and the  
42 proceedings upon petition, whether for the appointment of  
43 viewers or otherwise, shall be the same as provided by  
44 existing law for similar proceedings upon the petitions.  
45           (9) Have all of the powers and perform all the duties  
46 prescribed by the act of May 21, 1937 (P.L.774, No.211),  
47 referred to as the Pennsylvania Turnpike Commission Act.  
48           (b) Maintenance to be paid out of tolls.--  
49           (1) The turnpike extensions and improvements and the  
50 conversion of toll-free roads to toll roads when completed  
51 and open to traffic shall be maintained and repaired by and  
52 under the control of the commission.  
53           (2) All charges and costs for the maintenance and  
54 repairs actually expended by the commission shall be paid out  
55 of tolls.  
56           (3) The turnpike, the turnpike extensions and  
57 improvements and the toll-free roads converted to toll roads  
58 shall also be policed and operated by a force of police, toll  
59 takers and other operating employees as the commission may in

1 its discretion employ.

2 § 8108. Expenses and bonding of commission members.

3 (a) Payment of expenses.--All compensation and salaries and  
4 all expenses incurred in carrying out the provisions of this  
5 chapter shall be paid solely from funds provided under the  
6 authority of this chapter, and no liability or obligation shall  
7 be incurred under this chapter beyond the extent to which money  
8 shall have been provided under the authority of this chapter.

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

14 § 8109. Acquisition of property rights by commission.

15 (a) Condemnation.--The commission may condemn, pursuant to  
16 26 Pa.C.S. (relating to eminent domain), any lands, interests in  
17 lands, property rights, rights-of-way, franchises, easements and  
18 other property deemed necessary or convenient for the  
19 construction and efficient operation of the turnpikes and the  
20 toll road conversions or necessary in the restoration or  
21 relocation of public or private property damaged or destroyed.

22 (b) Purchase.--

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

36 (2) The net proceeds of the purchase price payable to a  
37 municipality or the department for any real property or  
38 interest therein obtained by the commission pursuant to this  
39 chapter, less the cost of retiring any bonded indebtedness on  
40 the property or interest, shall be used exclusively, in the  
41 case of a municipality, for road-related and bridge-related  
42 expenses and, in the case of the department, for highway and  
43 bridge construction, reconstruction and maintenance in the  
44 same engineering and maintenance district in which the  
45 property is located.

46 § 8110. Procedural requirements of acquisition.

47 (a) Title.--Title to any property condemned by the  
48 commission shall be taken in the name of the commission.

49 (b) Entry.--

50 (1) In addition to any others powers set forth in this  
51 chapter, the commission and its authorized agents and  
52 employees may enter upon any lands, waters and premises in  
53 this Commonwealth for the purpose of making surveys,  
54 soundings, drillings and examinations, as it may deem  
55 necessary or convenient for the purpose of this chapter.

56 (2) The entry shall not be deemed a trespass, nor shall  
57 an entry for the purposes be deemed an entry under any  
58 condemnation proceedings which may be then pending.

59 (3) The commission shall make reimbursement for any

1 actual damages resulting to the lands, waters and premises as  
2 a result of the activities.

3 (c) Restoration of property.--Any public or private property  
4 damaged or destroyed in carrying out the powers granted by this  
5 chapter shall be restored or repaired and placed in its original  
6 condition as nearly as practicable or adequate compensation made  
7 for the property out of funds provided under the authority of  
8 this chapter.

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

23 § 8111. Entry and possession of property condemned.

24 Whenever the commission has condemned any lands, rights,  
25 rights-of-way, easements and franchises, or interests therein,  
26 as provided in this chapter, the commission may proceed to  
27 obtain possession in the manner provided by 26 Pa.C.S. (relating  
28 to the eminent domain).

29 § 8112. Issuance of turnpike revenue bonds or other  
30 obligations.

31 (a) Authorization.--

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

34 (i) Series.

35 (ii) Date of maturity not exceeding 40 years from  
36 date of issue.

37 (iii) Interest.

38 (iv) Denomination.

39 (v) Form, either coupon or fully registered without  
40 coupons.

41 (vi) Registration, exchangeability and  
42 interchangeability privileges.

43 (vii) Medium of payment and place of payment.

44 (viii) Terms of redemption not exceeding 105% of the  
45 principal amount of the bond.

46 (ix) Priorities in the revenues or receipts of the  
47 commission.

48 (2) A bond must be signed by or shall bear the facsimile  
49 signature of such officers as the commission determines.  
50 Coupon bonds must have attached interest coupons bearing the  
51 facsimile signature of the treasurer of the commission as  
52 prescribed in the authorizing resolution. A bond may be  
53 issued and delivered notwithstanding that one or more of the  
54 signing officers or the treasurer has ceased to be an officer  
55 when the bond is actually delivered. A bond must be  
56 authenticated by an authenticating agent, a fiscal agent or a  
57 trustee, if required by the authorizing resolution.

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

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

5           (b) Provisions.--A resolution authorizing a bond may contain  
6 provisions which shall be part of the contract with the  
7 bondholder as to the following:

8           (1) Pledging the full faith and credit of the commission  
9 but not of the Commonwealth or any political subdivision for  
10 the bond or restricting the obligation of the commission to  
11 all or any of the revenue of the commission from all or any  
12 projects or properties.

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

23           (3) Terms and provisions of the bond.

24           (4) Limitations on the purposes to which the proceeds of  
25 the bond or other financing may be applied.

26           (5) Rate of tolls and other charges for use of the  
27 facilities of or for the services rendered by the commission.

28           (6) The setting aside, regulation and disposition of  
29 reserves and sinking funds.

30           (7) Limitations on the issuance of additional bonds.

31           (8) Terms and provisions of any deed of trust or  
32 indenture securing the bond or under which any deed of trust  
33 or indenture may be issued.

34           (9) Other additional agreements with the holder of the  
35 bond.

36           (c) Deeds of trust.--The commission may enter into any deed  
37 of trust, indenture or other agreement with any bank or trust  
38 company or other person in the United States having power to  
39 enter into such an arrangement, including any Federal agency, as  
40 security for a bond and may assign and pledge all or any of the  
41 revenues or receipts of the commission under such deed,  
42 indenture or agreement. The deed of trust, indenture or other  
43 agreement may contain provisions as may be customary in such  
44 instruments or as the commission may authorize, including  
45 provisions as to the following:

46           (1) Construction, financing, improvement, operation,  
47 maintenance and repair for the payment of the costs of the  
48 turnpikes and the toll road conversions, including the  
49 reconstruction of the converted roads as provided for in this  
50 chapter and the repayment to the Federal Treasury of any  
51 funds so required to be repaid pursuant to any special  
52 legislation passed by the Congress of the United States  
53 authorizing the conversion of toll-free roads to toll roads,  
54 financing for insurance reserves and the duties of the  
55 commission with reference to these matters.

56           (2) Application of funds and the safeguarding of funds  
57 on hand or on deposit.

58           (3) Rights and remedies of trustees and bondholders,  
59 including restrictions upon the individual right of action of

1 a bondholder.

2 (4) Terms and provisions of the bond or the resolution  
3 authorizing the issuance of the bond.

4 (d) Negotiability.--A bond shall have all the qualities of  
5 negotiable instruments under 13 Pa.C.S. Div. 3 (relating to  
6 negotiable instruments).

7 § 8113. Obligation proceeds restricted and lien created.

8 All money received from any bonds, notes or other obligations  
9 issued under this chapter shall be applied solely to the payment  
10 of the cost of the turnpike, the turnpike extensions and  
11 improvements and the toll road conversions, including the  
12 reconstruction of the converted roads as provided for in this  
13 chapter and the repayment to the Federal Treasury of any funds  
14 so required to be repaid pursuant to any special legislation  
15 passed by the Congress of the United States authorizing the  
16 conversion of toll-free roads to toll roads or to the  
17 appurtenant fund. There is created and granted a lien upon the  
18 money, until so applied, in favor of holders of the bonds, notes  
19 or other obligations or the trustee provided for in this chapter  
20 in respect of the bonds, notes or other obligations.

21 § 8114. Trust indenture authorized.

22 (a) Security for bonds.--In the discretion of the  
23 commission, the bonds, notes or other obligations may be secured  
24 by a trust indenture by and between the commission and a  
25 corporate trustee, which may be any trust company or bank having  
26 the powers of a trust company, within this Commonwealth. The  
27 trust indenture may pledge or assign tolls and revenue to be  
28 received but shall not convey or mortgage the Pennsylvania  
29 Turnpike System, including the turnpikes and toll road  
30 conversions provided for by this chapter.

31 (b) Rights of bondholders.--Either the resolution providing  
32 for the issuance of the bonds, notes or other obligations or the  
33 trust indenture may contain provisions for protecting and  
34 enforcing the rights and remedies of the bondholders or holders  
35 of notes or other obligations as may be reasonable and proper  
36 and not in violation of law, including covenants setting forth  
37 the duties of the commission in relation to the acquisition of  
38 properties and the construction, maintenance, operation and  
39 repair and insurance of the turnpikes, and the custody,  
40 safeguarding and application of all money. It shall be lawful  
41 for any bank or trust company incorporated under the laws of  
42 this Commonwealth to act as a depository of the proceeds of  
43 bonds, notes or other obligations or revenues and to furnish the  
44 indemnity bonds or to pledge the securities as may be required  
45 by the commission. The trust indenture may set forth the rights  
46 and remedies of the bondholders or holders of notes or other  
47 obligations and of the trustee and may restrict the individual  
48 right of action of bondholders or holders of notes or other  
49 obligations as is customary in trust indentures securing bonds,  
50 debentures of corporations, notes or other obligations. In  
51 addition to the foregoing, the trust indenture may contain other  
52 provisions as the commission may deem reasonable and proper for  
53 the security of bondholders or holders of notes or other  
54 obligations. All expenses incurred in carrying out the trust  
55 indenture may be treated as part of the cost of maintenance,  
56 operation and repair of the turnpikes and toll road conversions  
57 provided for by this chapter.

58 § 8115. Commission and obligations tax exempt.

59 The accomplishment by the commission of the authorized

1 purposes stated in this chapter being for the benefit of the  
2 people of this Commonwealth and for the improvement of their  
3 commerce and prosperity, in which accomplishment the commission  
4 will be performing essential governmental functions, the  
5 commission shall not be required to pay any taxes or assessments  
6 on any property acquired or used by it for the purposes provided  
7 in this chapter, and the bonds, notes or other obligations  
8 issued by the commission, their transfer and the income  
9 therefrom, including any profits made on the sale thereof, shall  
10 at all times be free from taxation within this Commonwealth.  
11 § 8116. Collection and disposition of tolls and other revenue.

12 (a) Establishment and changes in toll amounts.--Subject to  
13 the terms of any trust indenture entered into by the commission,  
14 any resolution authorizing the issuance of any bonds, notes or  
15 other obligations of the commission, the commission is  
16 authorized: to fix and to revise tolls for the use of the  
17 Pennsylvania Turnpike System and the different parts or sections  
18 of the system, including the turnpike, the turnpike extensions  
19 and improvements and the toll road conversions authorized by  
20 this chapter: to charge and collect the tolls; to contract with  
21 any person, partnership, association or corporation desiring the  
22 use of any part thereof, including the right-of-way adjoining  
23 the paved portion, for placing thereon telephone, telegraph,  
24 electric light or power lines, gas stations, garages, stores,  
25 hotels, restaurants and advertising signs, or for any other  
26 purpose, except for tracks for railroad or railway use; and to  
27 fix the terms, conditions, rents and rates of charges for use.  
28 Tolls shall be fixed and adjusted as to provide funds at least  
29 sufficient with other revenues of the Pennsylvania Turnpike  
30 System, if any, to pay:

31 (1) the cost of constructing, maintaining, repairing and  
32 operating the Pennsylvania Turnpike System and the different  
33 parts and sections of the system; and

34 (2) any bonds, notes or other obligations and the  
35 interest thereon of the commission, and all sinking fund  
36 requirements of the commission, and other requirements  
37 provided for by any resolution authorizing the issuance of  
38 the bonds, notes or other obligations by the commission, or  
39 by any trust indenture to which the commission is a party, as  
40 the same shall become due.

41 (b) Restrictions on toll revenue.--Tolls shall not be  
42 subject to supervision or regulation by any other State  
43 commission, board, bureau or agency. Subject to the terms of any  
44 presently existing trust indenture entered into by the  
45 commission and any presently existing resolution authorizing the  
46 issuance of any bonds, notes or other obligations of the  
47 commission, the tolls and all other revenue derived from the  
48 Pennsylvania Turnpike System shall be set aside and pledged as  
49 may be provided in any resolutions, trust indentures or any  
50 other agreements that the commission may hereafter adopt or  
51 hereafter enter into with respect to the issuance of bonds,  
52 notes or other obligations of the commission.

53 § 8116.1. Electronic toll collection.

54 (a) Liability of owner.--

55 (1) If an operator of a vehicle fails to pay the  
56 prescribed toll at any location where tolls are collected by  
57 means of electronic toll collection, the owner of the vehicle  
58 shall be liable to the commission for failure of the operator  
59 of the vehicle to comply with this section if the violation

1 is evidenced by information obtained from a violation  
2 enforcement system.

3 (2) If a violation of this section is committed, the  
4 registration plate number of the vehicle as recorded by a  
5 violation enforcement system shall establish an inference  
6 that the owner of the vehicle was then operating the vehicle.  
7 The inference shall be overcome if the owner does all of the  
8 following:

9 (i) Testifies that the owner was not operating the  
10 vehicle at the time of the violation.

11 (ii) Submits to an examination as to who at the time  
12 was operating the vehicle.

13 (iii) Reveals the name and residence address, if  
14 known, of the operator of the vehicle.

15 (3) If an action or proceeding is commenced in a county  
16 other than that of the residence of the owner, a verified  
17 written statement setting forth the facts prescribed under  
18 paragraph (2)(i), (ii) and (iii) shall suffice to overcome  
19 the inference.

20 (4) If the inference is overcome, the operator of the  
21 vehicle may be held liable under this section for failure to  
22 pay the prescribed toll in the same manner as if the operator  
23 were the owner of the vehicle.

24 (b) Imposition of liability.--Liability under this section  
25 shall be imposed upon an owner for a violation of this section  
26 or the regulations of the commission occurring within the  
27 territorial limits of this Commonwealth. If a violation is  
28 committed as evidenced by a violation enforcement system, the  
29 following shall apply:

30 (1) The commission or an authorized agent or employee  
31 must prepare and mail a notice of violation as follows:

32 (i) The notice of violation must be sent by first  
33 class mail to each person alleged to be liable as an  
34 owner for a violation of this section.

35 (ii) The notice must be mailed at the address shown  
36 on the vehicle registration or at the address of the  
37 operator, as applicable. Notice must be mailed no later  
38 than 60 days after:

39 (A) the alleged conduct; or

40 (B) the date the inference is overcome under  
41 subsection (a)(2).

42 (iii) Personal service is not required.

43 (iv) The notice must contain all of the following:

44 (A) Information advising the person charged of  
45 the manner and time in which the liability alleged in  
46 the notice may be contested.

47 (B) A warning advising the person charged that  
48 failure to contest in the manner and time provided  
49 shall be deemed an admission of liability and that a  
50 default judgment may be entered on the notice.

51 (1.1) A manual or automatic record of mailing prepared  
52 in the ordinary course of business shall be prima facie  
53 evidence of the mailing of notice.

54 (2) If an owner of a vehicle or an owner that is a  
55 lessor of a vehicle receives a notice of violation under this  
56 section for any time period during which the vehicle was  
57 reported to a police department as having been stolen, it  
58 shall be a defense to the allegation of liability that the  
59 vehicle had been reported to the police as having been stolen

1 prior to the time the violation occurred and that the vehicle  
2 had not been recovered by the time of the violation. For  
3 purposes of asserting the defense under this paragraph, it  
4 shall be sufficient that a certified copy of the police  
5 report on the stolen vehicle be sent by first class mail 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 owner or  
9 lessor liable for the penalty prescribed by this section.

10 (3) An owner that is a lessor of a vehicle as to which a  
11 notice of violation was issued under paragraph (1) shall not  
12 be liable for a violation if the owner sends to the  
13 commission a copy of the rental, lease or other contract  
14 document covering the vehicle on the date of the violation,  
15 with the name and address of the lessee clearly legible to  
16 the commission, within 30 days after receiving the original  
17 notice of violation. Failure to send the information within  
18 the time limit under this paragraph shall render the lessor  
19 liable for the penalty prescribed by this section. If the  
20 lessor complies with the provisions of this section, the  
21 lessee of the vehicle on the date of the violation shall be  
22 deemed to be the owner of the vehicle for purposes of this  
23 section and shall be subject to liability for the penalty  
24 under this section.

25 (4) A certified report or a facsimile report of an  
26 authorized agent or employee of the commission reporting a  
27 violation of this section or regulations of the commission  
28 based upon the recorded information obtained from a violation  
29 enforcement system shall be prima facie evidence of the facts  
30 contained in the report and shall be admissible as an  
31 official record kept in the ordinary course of business in  
32 any proceeding charging a violation of this section or the  
33 toll collection regulations of the commission.

34 (5) Notwithstanding any other provision of law,  
35 videotapes, photographs, microphotographs, other recorded  
36 images, written records, reports or facsimiles prepared  
37 pursuant to this section shall be for the exclusive use of  
38 the commission, its authorized agents, its employees and law  
39 enforcement officials for the purpose of discharging duties  
40 under this section and the regulations of the commission. The  
41 information shall not be deemed a public record under the act  
42 of June 21, 1957 (P.L.390, No.212), referred to as the Right-  
43 to-Know Law. The information shall not be discoverable by  
44 court order or otherwise; nor shall it be offered in evidence  
45 in any action or proceeding which is not directly related to  
46 a violation of this section, the regulations of the  
47 commission or indemnification for liability imposed pursuant  
48 to this section. The restrictions set forth in this  
49 paragraph:

50 (i) shall not be deemed to preclude a court of  
51 competent jurisdiction from issuing an order directing  
52 that the information be provided to law enforcement  
53 officials if the information is reasonably described and  
54 is requested solely in connection with a criminal law  
55 enforcement action;

56 (ii) shall not be deemed to preclude the exchange of  
57 the information between any entities with jurisdiction  
58 over or which operate an electronic toll collection  
59 system in this Commonwealth or any other jurisdiction;

1           and

2           (iii) shall not be deemed to prohibit the use of  
3           information exclusively for the purpose of billing  
4           electronic toll collection account holders, deducting  
5           toll charges from the account of an account holder,  
6           enforcing toll collection laws and related regulations or  
7           enforcing the provisions of an account holder agreement.

8           (6) An imposition of liability under this section must  
9           be based upon a preponderance of evidence.

10           (7) An imposition of liability pursuant to this section  
11           shall not be deemed a conviction of an owner and shall not be  
12           made part of the motor vehicle operating record of the person  
13           upon whom the liability is imposed, nor shall it be  
14           considered in the provision of motor vehicle insurance  
15           coverage.

16           (8) An owner that admits, is found liable or fails to  
17           respond to the notice of violation for a violation of this  
18           section shall be civilly liable to the commission for all of  
19           the following:

20           (i) Either:

21           (A) the amount of the toll evaded or attempted  
22           to be evaded if the amount can be determined; or

23           (B) the maximum toll from the farthest point of  
24           entry on the Pennsylvania Turnpike to the actual  
25           point of exit if the amount of the toll evaded or  
26           attempted to be evaded cannot be determined.

27           (ii) A reasonable administrative fee not to exceed  
28           \$35 per notification.

29           (9) Nothing in this section shall be construed to limit  
30           the liability of the operator of a vehicle for a violation of  
31           this section or of the regulations of the commission.

32           (c) Placement of electronic toll collection device.--An  
33           electronic toll collection device which is affixed to the front  
34           windshield of a vehicle in accordance with the regulations of  
35           the commission shall not be deemed to constitute a violation of  
36           75 Pa.C.S. § 4524 (relating to windshield obstructions and  
37           wipers).

38           (d) Privacy of electronic toll collection account holder  
39           information.--

40           (1) Except as set forth paragraph (2), notwithstanding  
41           any other provision of law, all of the following apply to  
42           information kept by the commission, its authorized agents or  
43           its employees which is related to the account of an  
44           electronic toll collection system account holder:

45           (i) The information shall be for the exclusive use  
46           of the commission, its authorized agents, its employees  
47           and law enforcement officials for the purpose of  
48           discharging their duties pursuant to this section and the  
49           regulations of the commission. This subparagraph includes  
50           names, addresses, account numbers, account balances,  
51           personal financial information, vehicle movement records  
52           and other information compiled from transactions with the  
53           account holders.

54           (ii) The information shall not be deemed a public  
55           record under the Right-to-Know Law, nor shall it be  
56           discoverable by court order or otherwise or be offered in  
57           evidence in any action or proceeding which is not  
58           directly related to the discharge of duties under this  
59           section, the regulations of the commission or a violation

1 of an account holder agreement.

2 (2) Paragraph (1) shall not be deemed to do any of the  
3 following:

4 (i) Preclude a court of competent jurisdiction from  
5 issuing an order directing that the information be  
6 provided to law enforcement officials if the information  
7 is reasonably described and is requested solely in  
8 connection with a criminal law enforcement action.

9 (ii) Preclude the exchange of the information  
10 between any entities with jurisdiction over or which  
11 operate an electronic toll collection system in this  
12 Commonwealth or any other jurisdiction.

13 (iii) Prohibit the use of the information  
14 exclusively for the purpose of billing electronic toll  
15 collection account holders, deducting toll charges from  
16 the account of an account holder, enforcing toll  
17 collection laws and related regulations or enforcing the  
18 provisions of an account holder agreement.

19 (e) Definition.--As used in this section, the term "owner"  
20 means any person, corporation, firm, partnership, agency,  
21 association, organization or lessor that, at the time a vehicle  
22 is operated in violation of this section or regulations of the  
23 commission:

24 (1) is the beneficial or equitable owner of the vehicle;

25 (2) has title to the vehicle; or

26 (3) is the registrant or coregistrant of the vehicle  
27 registered with the department or a comparable agency of  
28 another jurisdiction or uses the vehicle in its vehicle  
29 renting or leasing business. The term includes a person  
30 entitled to the use and possession of a vehicle subject to a  
31 security interest in another person.

32 § 8117. Refunding bonds.

33 The commission is authorized to provide, by resolution, for  
34 the issuance of turnpike revenue refunding bonds for the purpose  
35 of refunding issued and outstanding turnpike revenue bonds,  
36 notes or other obligations. Applicable provisions of this  
37 chapter govern all of the following:

38 (1) Issuance of the turnpike revenue refunding bonds.

39 (2) Maturities and other details of the refunding bonds.

40 (3) Rights of the holders of the bonds.

41 (4) Duties of the Commonwealth and of the commission in  
42 respect to the bonds.

43 § 8118. Rights of obligation holders and trustees.

44 (a) Scope.--This section applies to all of the following:

45 (1) A holder of:

46 (i) a bond, note or other obligation issued under  
47 this chapter; or

48 (ii) a coupon attached to the bond, note or other  
49 obligation.

50 (2) The trustee under an applicable trust indenture.

51 (b) Enforcement.--Subject to subsection (c), a person  
52 referred to in subsection (a) may, by an action at law or in  
53 equity, do all of the following:

54 (1) Protect and enforce rights granted under this  
55 chapter or under the resolution or trust indenture.

56 (2) Enforce and compel performance of all duties  
57 required by this chapter or by the resolution or trust  
58 indenture to be performed by the commission or an officer of  
59 the commission. This paragraph includes fixing, charging and

1 collecting of tolls for the use of the turnpikes.

2 (c) Restriction.--Rights under this chapter may be  
3 restricted by resolution passed before the issuance of the bond,  
4 note or other obligation or by the trust indenture.  
5 § 8119. Authority granted to secretary.

6 (a) Agreement with Federal Government.--

7 (1) The secretary is authorized to enter into an  
8 agreement with the United States Department of  
9 Transportation, the Federal Highway Administration and any  
10 other Federal agency to obtain Federal funds for projects for  
11 resurfacing, restoring and rehabilitating toll roads in this  
12 Commonwealth. The commission is authorized to use Federal  
13 funds which may be available for toll roads only upon  
14 approval of the secretary and only under the authority  
15 granted under this section.

16 (2) (Reserved).

17 (b) Approval by department.--Contracts and agreements  
18 relating to the construction of the turnpikes and connecting  
19 tunnels and bridges must be approved by the department.  
20 § 8120. Construction of chapter.

21 This chapter shall be regarded as supplemental and additional  
22 to powers conferred by other statutes and shall not be regarded  
23 as in derogation of any powers now existing and shall be  
24 liberally construed to effect its purposes.

25 Section 2.4. Section 8901 of Title 75 is amended to read:  
26 § 8901. 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 "Annual additional rent." That portion of the rent payable  
31 to the Department of Transportation under section 8915.3(5)  
32 (relating to lease of Interstate 80).

33 "Annual base rent." That portion of the rent payable to the  
34 Department of Transportation under section 8915.3(4) (relating  
35 to lease of Interstate 80).

36 "Annual surplus rent." That portion of the rent payable to  
37 the Department of Transportation under section 8915.3(6)  
38 (relating to lease of Interstate 80).

39 "Auditor General's certificate." The certificate issued by  
40 the Auditor General within 180 days after the end of each fiscal  
41 year of the Pennsylvania Turnpike Commission certifying all of  
42 the following:

43 (1) The amount of the general reserve fund surplus for  
44 the fiscal year.

45 (2) Interstate 80 savings for the fiscal year.

46 (3) After review of the commission's current ten-year  
47 capital plan, that the transfer of the general reserve fund  
48 surplus under section 8915.3 (relating to lease of Interstate  
49 80) shall not impair the ability of the commission to meet  
50 its obligations under the lease agreement or the commission's  
51 ten-year capital plan.

52 "Commission." The Pennsylvania Turnpike Commission.

53 "Conversion date." The date the Pennsylvania Turnpike  
54 Commission intends to assume control over Interstate 80 as set  
55 forth in the conversion notice.

56 "Conversion notice." Written notice to the Secretary of  
57 Transportation from the Pennsylvania Turnpike Commission  
58 providing notice of its intent to assume control over Interstate  
59 80 under section 8915.3(3) (relating to lease of Interstate 80).

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

2 (1) which begins on the date of execution of the lease  
3 agreement; and

4 (2) during which the Pennsylvania Turnpike Commission  
5 may give the Department of Transportation conversion notice  
6 or notice that the commission has exercised its option to  
7 extend the conversion period pursuant to section 8915.3(2)  
8 (relating to lease of Interstate 80).

9 "Fiscal year." The fiscal year of the Pennsylvania Turnpike  
10 Commission.

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

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

16 (2) is not required to be retained in the general  
17 reserve fund pursuant to any financial documents, financial  
18 covenants, insurance policies, liquidity policies or  
19 agreements, swap agreements or rating agency requirements in  
20 effect at the commission.

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

22 (1) Prior to the conversion date, the amount shall be  
23 zero.

24 (2) After the conversion date, the amount certified in  
25 the Auditor General's certificate equal to \$100,000,000,  
26 increased by 4% for each year after the year of execution of  
27 the lease agreement.

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

32 "Scheduled annual commission contribution." The following  
33 amounts:

34 (1) \$700,000,000 in fiscal year 2007-2008.

35 (2) \$750,000,000 in fiscal year 2008-2009.

36 (3) \$800,000,000 in fiscal year 2009-2010.

37 (4) \$800,000,000 increased by 2.5% for each fiscal year  
38 after fiscal year 2009-2010.

39 Section 2.5. Section 8911 introductory paragraph of Title 75  
40 is amended and the section is amended by adding a paragraph to  
41 read:

42 § 8911. Improvement and extension authorizations.

43 In order to facilitate vehicular traffic within and across  
44 this Commonwealth, the commission is hereby authorized and  
45 empowered to construct, reconstruct, widen, expand, extend,  
46 operate and maintain turnpike extensions and turnpike  
47 improvements at such specific locations and according to such  
48 schedule as shall be deemed feasible and approved by the  
49 commission, together with connecting roads, storm water  
50 management systems, interchanges, slip ramps, tunnels and  
51 bridges, subject to the waiver of the Federal toll prohibition  
52 provisions where applicable, as follows:

53 \* \* \*

54 (10) Other slip ramps and interchanges as the commission  
55 may determine.

56 Section 2.6. Sections 8912 introductory paragraph, 8913,  
57 8914 introductory paragraph and 8915 introductory paragraph of  
58 Title 75 are amended to read:

59 § 8912. Subsequent extension authorizations.

1 The commission is also hereby authorized and empowered to  
2 construct, reconstruct, widen, expand, extend, operate and  
3 maintain further extensions and improvements of the turnpike at  
4 such specific locations and according to such schedules as shall  
5 be deemed feasible and which shall be approved by the  
6 commission, subject to the waiver of the Federal toll  
7 prohibition provisions where applicable, as follows:

8 \* \* \*

9 § 8913. Additional subsequent extension authorizations.

10 Upon substantial completion of the turnpike extensions and  
11 improvements set forth in sections 8911 (relating to improvement  
12 and extension authorizations) and 8912 (relating to subsequent  
13 extension authorizations), the commission is hereby authorized  
14 and empowered to construct, reconstruct, widen, expand, extend,  
15 operate and maintain further extensions and improvements of the  
16 turnpike at such specific locations and according to such  
17 schedules as shall be deemed feasible and which shall be  
18 approved by the commission, subject to the waiver of the Federal  
19 toll prohibition provisions where applicable, as follows:

20 construct from a point at or near Interstate Route 80  
21 Interchange 23 at Milesburg southwesterly generally along U.S.  
22 Route 220 to a connection with the existing U.S. Route 220  
23 Expressway south of Bald Eagle.

24 § 8914. Further subsequent authorizations.

25 Upon completion of the turnpike extensions and improvements  
26 set forth in sections 8911 (relating to improvement and  
27 extension authorizations), 8912 (relating to subsequent  
28 extension authorizations) and 8913 (relating to additional  
29 subsequent extension authorizations), the commission is hereby  
30 authorized and empowered to construct, reconstruct, widen,  
31 expand, extend, operate and maintain further extensions and  
32 improvements of the turnpike at such specific locations and  
33 according to such schedules as shall be deemed feasible and  
34 which shall be approved by the commission, subject to the waiver  
35 of the Federal toll prohibition provisions where applicable, as  
36 follows:

37 \* \* \*

38 § 8915. Conversion to toll roads.

39 In order to facilitate vehicular traffic within and across  
40 this Commonwealth, and [after] to facilitate the completion of  
41 the turnpike extensions and improvements authorized in section  
42 8911 (relating to improvement and extension authorizations), and  
43 subject to prior legislative approval by the General Assembly  
44 and the United States Congress, the commission is hereby  
45 authorized and empowered to convert to toll roads such portions  
46 of Pennsylvania's interstate highway system as may [be required  
47 in order to] facilitate the completion of the turnpike  
48 extensions and improvements authorized in sections 8912  
49 (relating to subsequent extension authorizations), 8913  
50 (relating to additional subsequent extension authorizations) and  
51 8914 (relating to further subsequent authorizations) and to  
52 operate and maintain such converted interstates as toll roads  
53 upon the approval by the Congress of the United States of  
54 America and the General Assembly of this Commonwealth of  
55 legislation expressly permitting the conversion of such  
56 interstates to toll roads. Such conversions shall take place at  
57 a time and manner set forth in the plan for the conversion  
58 prepared by the commission with the cooperation of the  
59 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 2.7. 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) Construct, reconstruct, widen, expand, extend,  
10 operate, maintain and maintain and operate Interstate 80 from  
11 a point at or near the Ohio border to a point at or near the  
12 New Jersey border, together with connecting roads,  
13 interchanges, slip ramps, tunnels and bridges.

14 (2) Issue turnpike revenue bonds, notes or other  
15 obligations, payable solely from revenues of the commission,  
16 including tolls, or from funds as may be available to the  
17 commission for that purpose, to pay the cost of construction,  
18 reconstructing, widening, expanding or extending or any other  
19 costs of the Pennsylvania Turnpike.

20 (3) Convert to a toll road Interstate 80 and to operate  
21 and maintain the converted interstate as a toll road.

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 in accordance with 23 U.S.C. § 129 (relating to  
28 toll roads, bridges, tunnels, and ferries) for the conversion of  
29 Interstate 80 to a toll road under the Interstate Reconstruction  
30 and Rehabilitation Pilot Program or in accordance with any other  
31 applicable Federal program or provision of law. The secretary  
32 shall ensure that all information required for the application  
33 is made available to the commission as soon as practicable after  
34 the effective date of this section. If the application is  
35 submitted pursuant to the Interstate Reconstruction and  
36 Rehabilitation Pilot Program, it shall contain all of the  
37 following:

38 (1) A consulting civil engineer's report assessing the  
39 current physical conditions of the roadbed, pavement, bridges  
40 and interchanges and projecting the costs to upgrade  
41 Interstate 80, the costs for additional improvements and  
42 implementation of the tolling facilities and existing funds  
43 available for Interstate 80, absent tolling and concluding  
44 that the facility would not be maintained or improved to meet  
45 current or future needs from the Commonwealth's  
46 apportionments and allocations and from revenues for highways  
47 from any other source without toll revenues.

48 (2) A traffic and revenue report completed by a third-  
49 party consultant forecasting future traffic and revenue over  
50 a minimum of 20 years.

51 (3) An environmental scoping analysis assessing the  
52 fiscal impact, any air and water quality issues and the  
53 involvement of local metropolitan planning organizations.

54 (4) A construction and operational plan for the  
55 implementation of the Toll Pilot Program for Interstate 80  
56 which:

57 (i) assumes completion no later than five years  
58 after financing;

59 (ii) includes a plan for implementing the imposition

1 of tolls on use of Interstate 80, a schedule and finance  
2 plan for the reconstruction and rehabilitation of  
3 Interstate 80 using toll revenues and a description of  
4 the public transportation agency that will be responsible  
5 for implementation and administration of the toll pilot  
6 program.

7 (5) A financial analysis demonstrating that tolling  
8 Interstate 80 will produce sufficient revenue to pay debt  
9 service on any bonds and loans incurred with respect to the  
10 Toll Pilot Program.

11 (b) Open system.--A toll system shall consist of what is  
12 commonly referred to as an open system.

13 § 8915.3. Lease of Interstate 80.

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

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

22 (2) A provision establishing a 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  
31 operations and programmed rehabilitation shall be maintained  
32 at levels no less favorable than those set forth in the  
33 department's 12-year plan at the time of the execution of the  
34 lease, with modifications as are approved in writing by the  
35 chairman of the commission.

36 (3) A provision permitting the commission to exercise  
37 its option to convert Interstate 80 to a toll road prior to  
38 the expiration of the conversion period by providing the  
39 conversion notice to the secretary. Beginning on the  
40 conversion date, all legal, financial and operational  
41 responsibility for Interstate 80, as well as all toll  
42 revenues collected with respect to its use, shall be  
43 transferred from the department to the commission. The  
44 commission shall contract with the department for any portion  
45 of the maintenance of Interstate 80 at cost levels no less  
46 favorable than those of the department on the conversion  
47 date.

48 (4) A provision requiring the commission to pay annual  
49 base rent to the department during the term of the lease  
50 agreement in the following manner and equal to the following  
51 amounts:

52 (i) Annual debt service on outstanding bonds issued  
53 under section 9511.2 (relating to special revenue bonds  
54 payable solely from pledged revenues of Motor License  
55 Fund) payable as required pursuant to bonds.

56 (ii) \$200,000,000 payable annually in four equal  
57 installments each due the first business day of each  
58 July, October, January and April.

59 (5) A provision requiring the commission to pay annual

1 additional rent to the department as follows:

2 (i) During the conversion period and after the  
3 conversion of Interstate 80 to a toll road, the annual  
4 additional rent shall be equal to the scheduled annual  
5 commission contribution, minus any amounts paid under  
6 paragraph (4) less the proceeds of bonds allocable to the  
7 fiscal year in question issued under section 9511.2 and  
8 any Interstate 80 savings for that fiscal year as set  
9 forth in the Auditor General's certificate.

10 (ii) If conversion notice is not received by the  
11 secretary prior to the expiration of the conversion  
12 period, the annual additional rent shall be equal to  
13 \$250,000,000.

14 The annual additional rent provided under this paragraph is  
15 deemed to be equal to the fair market value of Interstate 80  
16 and shall be payable in four equal installments due the first  
17 business day of each July, October, January and April of each  
18 year during the term of the lease agreement.

19 (6) A provision requiring the commission to pay,  
20 commencing on the conversion date, annual surplus rent to the  
21 department equal to the general reserve fund surplus payable  
22 for each fiscal year from the conversion date until the end  
23 of the term of the lease agreement. The surplus rent shall be  
24 payable by the commission within 30 days of receipt by the  
25 commission of the Auditor General's certificate. If the  
26 conversion period expires before the conversion date, no  
27 annual surplus rent shall be payable.

28 (7) A provision stating that the obligation of the  
29 commission to pay the annual base rent, the annual additional  
30 rent and annual surplus rent shall be a subordinate  
31 obligation of the commission payable from amounts in the  
32 general reserve fund of the commission only as permitted by  
33 any financing documents, financial covenants, liquidity  
34 policies or agreements, swap agreements or rating agency  
35 requirements in effect at the commission.

36 (8) A provision authorizing the department to receive  
37 the annual base rent, annual additional rent and annual  
38 surplus rent, and to deposit amounts so received as follows,  
39 to the degree permitted by applicable Federal laws and  
40 regulations:

41 (i) proceeds of bonds issued under section 9511.2  
42 shall be spent consistent with sections 9511.4(h)  
43 (relating to special revenue bonds and preliminary or  
44 interim financing) and 9511.5 (relating to application of  
45 proceeds of obligations, lien of holders of obligations,  
46 design-build requirement and projects approved by the  
47 General Assembly);

48 (ii) be deposited in the Public Transportation Trust  
49 Fund as follows:

50 (A) \$250,000,000 for fiscal year 2007-2008;

51 (B) \$300,000,000 for fiscal year 2008-2009;

52 (C) \$350,000,000 for fiscal year 2009-2010; and

53 (D) \$400,000,000 for fiscal year 2010-2011 and

54 increased by 2.5% for each fiscal year thereafter;

55 and

56 (iii) any balance received from the department shall  
57 be deposited in the Motor License Fund. For any year in  
58 which there are no bond proceeds under this paragraph,  
59 \$5,000,000 of the money deposited shall be for county

1 roads and bridges and \$30,000,000 of the money deposited  
2 shall be for municipal roads and bridges to be allocated  
3 under the act of June 1, 1956 (1955 P.L.1944, No.655),  
4 referred to the Liquid Fuels Tax Municipal Allocation  
5 Law.

6 § 8916. Other interstate highways.

7 In order to facilitate vehicular traffic across this  
8 Commonwealth and pursuant to the authority granted under this  
9 chapter, the commission is hereby authorized and empowered to:

10 (1) at its own expense and in consultation with the  
11 department, prepare a consulting civil engineer report and  
12 financial analysis with respect to the feasibility of  
13 converting Interstate 95 to a toll road and operating and  
14 maintaining the converted interstate as a toll road, upon  
15 approval of the General Assembly and the United States  
16 Department of Transportation; and

17 (2) at its own expense, and in consultation with the  
18 department, prepare and submit an application to the United  
19 States Department of Transportation for the conversion of  
20 Interstate 95 to a toll road pursuant to any Federal program  
21 for which it may be eligible.

22 Amend Bill, page 69, line 20, by striking out all of said

23 line and inserting

24 Section 4. Title 75 is amended by adding a section to read:  
25 § 9501. Definitions.

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

29 "Bond related expenses." The term shall include all of the  
30 following:

31 (1) Printing, publication or advertising expenses with  
32 respect to the sale and issuance of bonds.

33 (2) Fees, expenses and costs of registrars.

34 (3) Fees, expenses and costs of attorneys, accountants,  
35 feasibility consultants, computer programmers or other  
36 experts employed to aid in the sale and issuance of the  
37 bonds.

38 (4) Other costs, fees and expenses incurred or  
39 reasonably related to the issuance and sale of the bonds.

40 "Bond-related obligation." An agreement or contractual  
41 relationship between the Pennsylvania Turnpike Commission and a  
42 bank, trust company, insurance company, swap counterparty,  
43 surety bonding company, pension fund or other financial  
44 institution providing increased credit on or security for the  
45 bonds or liquidity for secondary market transactions.

46 "Commission." The Pennsylvania Turnpike Commission or any  
47 successor organization.

48 "Cost of the department."

49 (1) Any of the following, which shall be reimbursed or  
50 paid out of the proceeds of the special revenue bonds, notes  
51 or other obligations authorized under this chapter:

52 (i) The cost of constructing, reconstructing,  
53 widening, expanding or extending the State highway and  
54 rural State highway system and all connecting roads,  
55 tunnels and bridges.

56 (ii) The cost of all lands, property rights, rights-

1 of-way, easements and franchises acquired, which are  
2 deemed necessary or convenient for the construction,  
3 reconstruction, widening, expanding or extending under  
4 subparagraph (i).

5 (iii) The cost of all machinery and equipment,  
6 financing charges, interest prior to and during  
7 construction and for one year after completion of  
8 construction.

9 (iv) The cost of traffic estimates and of  
10 engineering and legal expenses, plans, specifications,  
11 surveys, estimates of cost and of revenues, other  
12 expenses necessary or incident to determining the  
13 feasibility or practicability of the enterprise,  
14 administrative and legal expenses and other expenses as  
15 may be necessary or incident to the financing authorized  
16 under this chapter, the construction, reconstruction,  
17 widening, expanding or extending of the State highway and  
18 the rural State highway system and connecting roads,  
19 tunnels and bridges, the placing of the same in operation  
20 and the condemnation of property necessary for  
21 construction and operation.

22 (v) Any obligation or expense contracted for by the  
23 Department of Transportation or with the United States or  
24 any agency of the United States, for traffic surveys,  
25 preparation of plans and specifications, supervision of  
26 construction, and other engineering, administrative and  
27 legal services and expenses in connection with the  
28 construction, reconstruction, widening, expanding or  
29 extending of the State highway and the rural State  
30 highway system or any of the connecting roads, tunnels  
31 and bridges.

32 (2) Payment of any notes or other obligations if the  
33 notes or other obligations were issued for the payment of a  
34 cost.

35 "Design build arrangement." A procurement or project  
36 delivery arrangement whereby a single entity, which may be a  
37 single contractor or a consortium comprised of multiple  
38 contractors, engineers and other subconsultants, is responsible  
39 for both the design and construction of a transportation project  
40 with a guaranteed completion date and guaranteed maximum price.

41 "Owner." The term shall include all individuals,  
42 copartnerships, associations or corporations having any title or  
43 interest in any property rights, easements or franchises  
44 authorized to be acquired by this chapter.

45 "Pledged revenues." Revenues of the Motor License Fund  
46 pledged to the Pennsylvania Turnpike Commission under sections  
47 9010 (relating to disposition and use of tax), 9511(i) (relating  
48 to allocation of proceeds) and 9511.11 (relating to Motor  
49 License Fund proceeds) and amounts payable by the commission  
50 under section 8915.3(4)(i) (relating to lease of Interstate 80).

51 "Rural State Highway System." All roads and highways taken  
52 over by the Commonwealth as State highways under the provisions  
53 of the act of June 22, 1931 (P.L.594, No.203), referred to as  
54 the Township State Highway Law and all other roads and highways  
55 specifically designated by the Secretary of Transportation as  
56 Rural State Highways.

57 "State highway." All roads and highways taken over by the  
58 Commonwealth as State highways under the provisions of any  
59 statute. Unless clearly intended, the term shall not include any

1 street in any city, borough or incorporated town, even though  
2 the same may have been taken over as a State highway.

3 Section 5. Title 75 is amended by adding sections to read:

4 § 9511.2. Special revenue bonds payable solely from pledged  
5 revenues of Motor License Fund.

6 (a) Payment source.--A special revenue bond, note or other  
7 obligation issued under this chapter:

8 (1) shall not be deemed to be a debt or liability of the  
9 Commonwealth;

10 (2) shall not create or constitute any indebtedness,  
11 liability or obligation of the Commonwealth; and

12 (3) shall be payable solely from revenues of the Motor  
13 License Fund pledged to the commission for that purpose in  
14 combination with amounts transferred under section  
15 8915.3(4)(i) (relating to lease of Interstate 80).

16 (b) Statement.--A special revenue bond, note or other  
17 obligation issued under this chapter must contain a statement on  
18 its face that:

19 (1) the Commonwealth is not obligated to pay the bond,  
20 note or obligation or the interest on it except from revenues  
21 of the Motor License Fund pledged for that purpose in  
22 combination with amounts transferred under section  
23 8915.3(4)(i); and

24 (2) neither the faith and credit nor the taxing power of  
25 the Commonwealth is pledged to the payment of the principal  
26 or interest of the bond, note or obligation.

27 (c) Taxation.--The issuance of a special revenue bond, note  
28 or other obligation under this chapter shall not directly,  
29 indirectly or contingently obligate the Commonwealth to levy a  
30 tax or to make an appropriation for payment.

31 § 9511.3. Expenses.

32 (a) Reimbursement.--The commission shall be reimbursed for  
33 the necessary expenses incurred in the performance of the duties  
34 performed under the provisions of this chapter.

35 (b) Source.--All expenses incurred in carrying out the  
36 provisions of this chapter shall be paid solely from funds  
37 provided under the authority of this chapter, and sufficient  
38 funds shall be provided under the authority of this chapter to  
39 meet any liability or obligation incurred in carrying out the  
40 provisions of this chapter.

41 § 9511.4. Special revenue bonds and preliminary or interim  
42 financing.

43 (a) Authorization.--The commission is authorized to provide,  
44 by resolution, for the issuance of special revenue bonds of the  
45 commission up to an amount not exceeding \$4,000,000,000 for the  
46 purpose of paying the cost of the department and bond-related  
47 expenses. The resolution must recite an estimate of the cost of  
48 the department. No more than \$600,000,000 of special revenue  
49 bonds may be issued in any calendar year. No bond may be issued  
50 under this section unless the lease agreement authorized under  
51 section 8915.3 (relating to lease of Interstate 80) is in effect  
52 as of the date of issuance. Special revenue refunding bonds as  
53 set forth in section 9511.9 (relating to special revenue  
54 refunding bonds) shall not be deemed to count against the total  
55 or annual maximum issuance volume. The principal and interest of  
56 the bond shall be payable solely from revenues of the Motor  
57 License Fund pledged for that purpose to the commission in  
58 combination with the amounts transferred under section  
59 8915.3(4)(i).

1 (b) Form.--

2 (1) A bond may be issued in registered form.

3 (2) A bond:

4 (i) must be dated;

5 (ii) must bear interest at a rate not exceeding the  
6 rate permitted under applicable law;

7 (iii) must be payable semiannually;

8 (iv) must mature, as determined by the commission,  
9 not exceeding 40 years from the date of the bond; and

10 (v) may be made redeemable before maturity, at the  
11 option of the commission, at a price and under terms and  
12 conditions fixed by the commission prior to the issuance  
13 of the bonds.

14 (3) The amount of premium on a bond shall not cause the  
15 yield to be more than permitted by applicable law from the  
16 date of the bond to the date of redemption.

17 (c) Issuance.--

18 (1) The bond may be issued in registered form. The  
19 commission may sell a bond in registered form at public or  
20 private sale and for a price it determines to be in the best  
21 interest of the Commonwealth, but no sale shall be made at a  
22 price so low as to require the payment of interest on the  
23 money received for the bond at more than the rate permitted  
24 by applicable law, computed with relation to the absolute  
25 maturity of the bond in accordance with standard tables of  
26 bond values.

27 (2) A bond may be issued at public or private sale in  
28 series with varying provisions as to all of the following:

29 (i) Rates of interest, which may be fixed or  
30 variable.

31 (ii) Maturity.

32 (iii) Other provisions not inconsistent with this  
33 chapter.

34 (d) Revenue share.--All bonds, of whatever series, shall  
35 share ratably in the revenues pledged under this chapter as  
36 security for the bonds, although one series of bonds may have a  
37 lien on pledged revenues senior to the lien of another series of  
38 bonds.

39 (e) Payment.--

40 (1) The principal and interest of the bonds may be made  
41 payable in any lawful medium.

42 (2) The commission shall:

43 (i) determine the form of bonds; and

44 (ii) fix:

45 (A) the denomination of the bond; and

46 (B) the place of payment of principal and  
47 interest of the bond, which may be at any bank or  
48 trust company within or without this Commonwealth.

49 (f) Signature.--The bond must bear the facsimile signature  
50 of the Governor and of the chairman of the commission. The  
51 facsimile of the official seal of the commission shall be  
52 affixed to the bond and attested by the secretary and treasurer  
53 of the commission. If an officer whose signature or facsimile of  
54 a signature appears on a bond ceases to be an officer before the  
55 delivery of the bond, the signature or facsimile shall  
56 nevertheless be valid and sufficient for all purposes, as if the  
57 officer remained in office until delivery.

58 (g) Negotiability.--A special revenue bond issued under this  
59 chapter shall have all the qualities and incidents of a

1 negotiable instrument under 13 Pa.C.S. Div. 3 (relating to  
2 negotiable instruments).

3 (h) Proceeds.--

4 (1) The proceeds of a bond shall be used solely for the  
5 following:

6 (i) Payment of the cost of the department.

7 (ii) Bond-related expenses.

8 (iii) \$5,000,000 in the aggregate of the proceeds of  
9 bonds issued in any fiscal year, other than a refunding  
10 issue, shall be used for county roads and bridges and  
11 \$30,000,000 of the proceeds in the aggregate of the bonds  
12 issued in any fiscal year, other than a refunding issue,  
13 shall be used for local roads and bridges to be allocated  
14 under the act of June 1, 1956 (1955 P.L.1944, No.655),  
15 referred to as the Liquid Fuels Tax Municipal Allocation  
16 Law.

17 (2) The proceeds of a bond shall be disbursed upon  
18 requisition of the secretary under restrictions set forth in  
19 the resolution authorizing the issuance of the bond or the  
20 trust indenture under section 9511.6 (relating to trust  
21 indenture, protection of holders of obligations and  
22 depositories).

23 (3) If the proceeds of a bond, by error of calculation  
24 or otherwise, shall be less than the cost of the department,  
25 additional bonds may be issued to provide the amount of the  
26 deficit and, unless otherwise provided in the resolution  
27 authorizing the issuance of the bonds or in the trust  
28 indenture, shall be deemed to be of the same issue and shall  
29 be entitled to payment from the same fund, without preference  
30 or priority of the bonds first issued.

31 (i) Temporary bonds.--Prior to the preparation of definitive  
32 bonds, the commission may, under similar restrictions as those  
33 applicable to the definitive bonds, issue temporary bonds,  
34 exchangeable for definitive bonds upon the issuance of  
35 definitive bonds.

36 (j) Replacement bonds.--The commission may provide for the  
37 replacement of a bond which becomes mutilated or is destroyed or  
38 lost. A replacement revenue bond may be issued without any other  
39 proceedings or the happening of any other condition than those  
40 proceedings and conditions required by this chapter.

41 (k) Status as securities.--

42 (1) A bond is made a security in which any of the  
43 following may properly and legally invest funds, including  
44 capital, belonging to them or within their control:

45 (i) Commonwealth and municipal officers.

46 (ii) Commonwealth agencies.

47 (iii) Banks, bankers, savings banks, trust  
48 companies, saving and loan associations, investment  
49 companies and other persons carrying on a banking  
50 business.

51 (iv) Insurance companies, insurance associations and  
52 other persons carrying on an insurance business.

53 (v) Fiduciaries.

54 (vi) Other persons that are authorized to invest in  
55 bonds or other obligations of the Commonwealth.

56 (2) A bond is made a security which may properly and  
57 legally be deposited with and received by a Commonwealth or  
58 municipal officer or a Commonwealth agency for any purpose  
59 for which the deposit of bonds or other obligations of the

1 Commonwealth is authorized by law.

2 (1) Borrowing.--The following shall apply:

3 (1) The commission is authorized to do all of the  
4 following:

5 (i) Borrow money at an interest rate not exceeding  
6 the rate permitted by law.

7 (ii) Provide for preliminary or interim financing,  
8 up to but not exceeding the estimated total cost of the  
9 department and bond-related expenses and to evidence the  
10 borrowing by the issuance of special revenue notes and,  
11 in its discretion, to pledge as collateral for the note  
12 or other obligation, a special revenue bond issued under  
13 the provisions of this chapter. The commission may renew  
14 the note or obligation and the payment or retirement of  
15 the note or obligation shall be considered to be payment  
16 of the cost of the project.

17 (2) A note or obligation issued under this subsection  
18 must comply with the following:

19 (i) Be executed by the same persons in the same  
20 manner and with the same effect as provided in this  
21 section for the execution of a special revenue bond.

22 (ii) Contain a statement on its face that:

23 (A) the Commonwealth is not obligated to pay the  
24 note or obligation or interest on it, except from  
25 pledged revenues of the Motor License Fund; and

26 (B) neither the faith and credit nor the taxing  
27 power of the Commonwealth is pledged to the payment  
28 of its principal or interest.

29 (3) The issuance of a special revenue note or other  
30 obligation under this chapter shall not directly or  
31 indirectly or contingently obligate the Commonwealth to levy  
32 a tax or make an appropriation for payment.

33 (4) A note or other obligation issued under this  
34 subsection shall have all the qualities and incidents of a  
35 negotiable instrument under 13 Pa.C.S. (relating to  
36 commercial code).

37 § 9511.5. Application of proceeds of obligations, lien of  
38 holders of obligations, design-build requirement and  
39 projects approved by General Assembly.

40 (a) Application.--The following shall apply:

41 (1) All money received from any bonds, notes or other  
42 obligations issued under this chapter shall be applied solely  
43 to the payment of the cost of the department or to the  
44 appurtenant fund.

45 (2) Until money received from any bonds, notes or other  
46 obligations issued under this chapter is applied under  
47 paragraph (1), a lien shall exist upon the money in favor of  
48 holders of the bonds, notes or other obligations or a trustee  
49 provided for in respect to the bonds, notes or other  
50 obligations.

51 (b) Design-build arrangements.--To facilitate the timely  
52 completion of projects to be financed by the department with  
53 bond proceeds, the department shall be required to utilize  
54 design-build arrangements for each project estimated by the  
55 department to have a value in excess of \$100,000,000. The  
56 selection of the party for the design-build arrangement must be  
57 conducted in a manner consistent with the procurement and public  
58 bidding laws applicable to the department.

59 (c) Capital plan.--All projects financed by the department

1 with bond proceeds must be set forth in the department's capital  
2 plan current at the time of the financing and budget which  
3 capital plan and budget shall be submitted to the General  
4 Assembly on or before March 31 of each year commencing March 31,  
5 2008.

6 (d) Investment.--Pending the application of proceeds to  
7 costs of the department and bond-related expenses, the  
8 commission may invest the funds in permitted investments as  
9 defined under any trust indenture if the investment is not  
10 inconsistent with existing fiduciary obligations of the  
11 commission.

12 § 9511.6. Trust indenture, protection of holders of obligations  
13 and depositories.

14 (a) Indenture.--In the discretion of the commission, a bond,  
15 note or other obligation may be secured by a trust indenture by  
16 and between the commission and a corporate trustee, which may be  
17 any trust company or bank having the powers of a trust company,  
18 within or without this Commonwealth.

19 (b) Pledge or assignment.--A trust indenture under  
20 subsection (a) may pledge or assign revenue to be received, but  
21 shall not convey or mortgage the turnpike or any part of the  
22 turnpike.

23 (c) Rights and remedies.--The resolution providing for the  
24 issuance of the bond, note or other obligation of the trust  
25 indenture may contain provisions for protecting and enforcing  
26 the rights and remedies of the bondholders or holders of notes  
27 or other obligations as may be reasonable and proper and not in  
28 violation of law, including covenants setting forth the duties  
29 of the department in relation to the acquisition of properties,  
30 the construction, maintenance, operation, repair and insurance  
31 of the State highway and rural State highway system and the  
32 custody, safeguarding and application of all money.

33 (d) Depository.--It shall be lawful for any bank or trust  
34 company incorporated under the laws of this Commonwealth to act  
35 as depository of the proceeds of the bond, note or other  
36 obligation or revenue, to furnish indemnity bonds or to pledge  
37 securities as may be required by the commission.

38 (e) Indenture.--The trust indenture may set forth the rights  
39 and remedies of the bondholders or holders of notes or other  
40 obligations and of the trustee and may restrict the individual  
41 right of action of bondholders or holders of notes or other  
42 obligations as is customary in trust indentures securing bonds,  
43 debentures of corporations, notes or other obligations. The  
44 trust indenture may contain other provisions as the commission  
45 may deem reasonable and proper for the security of bondholders  
46 or holders of notes or other obligations.

47 § 9511.7. Exemption from Commonwealth taxation.

48 The effectuation of the purposes of this chapter is for the  
49 benefit of the citizens of the Commonwealth and for the  
50 improvement of their commerce and prosperity. Since the  
51 commission will be performing essential government functions in  
52 effectuating these purposes, the commission shall not be  
53 required to pay any tax or assessment on any property acquired  
54 or used by it for the purposes provided under this chapter. A  
55 bond, note or other obligation issued by the commission, its  
56 transfer and the income from its issuance and transfer,  
57 including any profits made on the sale of the bond, note or  
58 other obligation, shall be free from taxation within the  
59 Commonwealth.

1 § 9511.8. Pledged revenues, contracts for use of turnpike,  
2 sinking fund and purchase or redemption of  
3 obligations.

4 (a) Authorization.--The commission is authorized to collect  
5 the pledged revenues. The pledged revenues shall be fixed and  
6 adjusted as to provide funds at least sufficient to pay the  
7 bonds, notes or other obligations and the interest on the bonds,  
8 notes or other obligations. All sinking fund requirements and  
9 other requirements provided by the resolution authorizing the  
10 issuance of the bonds, notes or other obligations, or by the  
11 trust indenture, shall be fixed and adjusted as the bonds, notes  
12 or other obligations become due.

13 (b) Supervision.--The pledged revenues shall not be subject  
14 to supervision or regulation by any Commonwealth agency other  
15 than the commission.

16 (c) Set aside.--Except for the portion of the pledged  
17 revenues required to provide reserves as set forth in the  
18 resolution authorizing the issuance of the bonds, notes or other  
19 obligations or in the trust indenture, pledged revenues, to the  
20 degree amounts transferred under section 8915.3(4)(i)(relating  
21 to lease of Interstate 80) are not sufficient, shall be set  
22 aside at regular intervals as may be provided in the resolution  
23 or trust indenture, in one or more accounts, which are pledged  
24 to and charged with the payment of all of the following:

25 (1) The interest upon a bond, note or other obligation,  
26 as it shall become due and payable.

27 (2) The principal of a bond, note or other obligation,  
28 as it shall become due and payable.

29 (3) The necessary fiscal agency charges for paying  
30 principal and interest.

31 (4) A premium upon a bond retired by call or purchase.

32 (d) Sinking fund.--The use and disposition of the sinking  
33 fund shall be subject to regulations as may be provided in the  
34 resolution authorizing the issuance of bonds, notes or other  
35 obligations or in the trust indenture, but, except as may  
36 otherwise be provided in the resolution or trust indenture, the  
37 sinking fund shall be a fund for the benefit of all bonds, notes  
38 or other obligations issued under this chapter, without  
39 distinction or priority of one over another.

40 (e) Application of money.--Subject to the provisions of the  
41 resolutions authorizing the issuance of bonds, notes or other  
42 obligations or of the trust indenture, any money in the sinking  
43 fund in excess of an amount equal to one year's interest on all  
44 bonds, notes or other obligations then outstanding may be  
45 applied to the purchase or redemption of bonds, notes or other  
46 obligations. All bonds, notes or other obligations purchased or  
47 redeemed under this subsection shall be canceled and shall not  
48 again be issued.

49 § 9511.9. Special revenue refunding bonds.

50 The commission is authorized to provide, by resolution, for  
51 the issuance of special revenue refunding bonds of the  
52 commission for the purpose of refunding any special revenue  
53 bonds, notes or other obligations issued under the provisions of  
54 this chapter and then outstanding. The issuance of the special  
55 revenue refunding bonds, the maturities and other details of the  
56 bonds, the rights of the holders of the bonds and the duties of  
57 the department and of the commission with respect to the bonds  
58 shall be governed by the provisions of this chapter.

59 § 9511.10. Remedies of trustees and of holders of obligations.

1 (a) Grant of rights.--A holder of a bond, note or other  
2 obligation issued under this chapter and the trustee under the  
3 trust indenture may, either at law or in equity, by suit,  
4 action, mandamus or other proceeding, do all of the following:

5 (1) Protect and enforce any right granted under this  
6 chapter or under the resolution or trust indenture.

7 (2) Enforce and compel performance of all duties  
8 required under this chapter or by resolution or trust  
9 indenture to be performed by the commission or any officer of  
10 its officers, including the collection of the pledged  
11 reserves or amounts transferred under section 8915.3(4)(i)  
12 (relating to lease of Interstate 80).

13 (b) Exception.--Rights given under this chapter may be  
14 restricted by resolution passed before the issuance of the  
15 bonds, notes or other obligations, or by the trust indenture.  
16 § 9511.11. Motor License Fund proceeds.

17 The balance of the proceeds deposited in the Motor License  
18 Fund under section 20 of the act of April 17, 1997 (P.L.6,  
19 No.3), entitled, "An act amending Titles 74 (Transportation) and  
20 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further  
21 providing for annual appropriation and computation of subsidy  
22 and for distribution of funding; providing for distribution of  
23 supplemental funding; further providing for use of funds  
24 distributed; providing for public transportation grants  
25 management accountability, for competitive procurement and for  
26 the Public Transportation Assistance Fund; further providing for  
27 period of registration, for duties of agents, for registration  
28 and other fees, for requirements for periodic inspection of  
29 vehicles, for limits on number of towed vehicles, for operation  
30 of certain combinations on interstate and other highways and for  
31 width and length of vehicles; providing for liquid fuels and  
32 fuels permits and bond or deposit of securities, for imposition  
33 of liquid fuels and fuels tax, for taxpayer, for distributor's  
34 report and payment of tax, for determination of tax, penalties  
35 and interest, for examination of records and equipment, for  
36 retention of records by distributors and dealers, for  
37 disposition and use of tax, for discontinuance or transfer of  
38 business, for suspension or revocation of permits, for lien of  
39 taxes, penalties and interest, for collection of unpaid taxes,  
40 for reports from common carriers, for violations and reward for  
41 detection of violations, for refunds, for diesel fuel importers  
42 and transporters, for prohibiting use of dyed diesel fuel, for  
43 disposition of fees, fines and forfeitures, for certified copies  
44 of records and for uncollectible checks; further providing for  
45 distribution of State highway maintenance funds and for  
46 standards and methodology for data collection; providing for  
47 dirt and gravel road maintenance; further providing for  
48 imposition of tax and additional tax; providing for tax on  
49 alternative fuels; further providing for disposition of tax  
50 revenue; making an appropriation; and making repeals," is  
51 pledged to secure bonds issued by the commission. The proceeds  
52 may be pledged to secure bonds to be issued by the commission on  
53 behalf of the department for the construction, reconstruction,  
54 widening, expansion, extension, maintenance and repair of and  
55 safety on bridges and costs and expenses incident to those tasks  
56 and fees and expenses of the commission related to the issuance  
57 of the bonds, including bond-related expenses. Each month, the  
58 State Treasurer shall transfer amounts as are necessary, in  
59 combination with amounts transferred under sections

1 8915.3(4)(i)(relating to lease of Interstate 80) and 9511  
2 (relating to allocation of proceeds) to satisfy the provisions  
3 of the bond indenture relating to bonds issued under this  
4 section and those amounts are authorized to be appropriated.  
5 § 9511.12. Supplement to other laws and liberal construction.

6 This chapter shall be regarded as supplemental and additional  
7 to powers conferred by other statutes and shall not be regarded  
8 as in derogation of any powers existing on the effective date of  
9 this section. The provisions of this chapter, being necessary  
10 for the welfare of the Commonwealth and its citizens shall be  
11 liberally construed to effect the purposes of this chapter.

12 Section 6. (a) Financial assistance made by the Department  
13 of Transportation to an award recipient under 74 Pa.C.S. Ch. 13  
14 prior to the effective date of this section may continue to be  
15 used by award recipients for operating or capital expenses upon  
16 the same terms and conditions as are contained in the notice of  
17 grant award or grant agreement executed in connection with the  
18 award, if the funds are expended within five years following the  
19 effective date of this section.

20 (b) The Department of Transportation may continue to use all  
21 funds appropriated or otherwise made available to it for public  
22 transportation purposes prior to the effective date of this  
23 section in accordance with the laws under which the funds were  
24 made available.

25 Section 7. The following shall apply:

26 (1) The General Assembly declares that the repeal under  
27 paragraph (2) is necessary to effectuate the addition of 74  
28 Pa.C.S. Ch. 81.

29 (2) The act of September 30, 1985 (P.L.240, No.61),  
30 known as the Turnpike Organization, Extension and Toll Road  
31 Conversion Act is repealed.

32 (3) Section 207.1(c)(2) of the act of April 9, 1929  
33 (P.L.177, No.175), known as The Administrative Code of 1929,  
34 is repealed insofar as it is inconsistent with the addition  
35 of 74 Pa.C.S. § 8105.

36 (4) Sections 2301(a) and (b) of the act of March 4, 1971  
37 (P.L.6, No.2), known as the Tax Reform Code of 1971, insofar  
38 as they relate to the establishment and existence of the  
39 Public Transportation Assistance Fund are repealed.

40 (5) All other acts and parts of acts are repealed  
41 insofar as they are inconsistent with this act.

42 Section 8. The addition of 74 Pa.C.S. Ch. 81 is a  
43 continuation of the act of September 30, 1985 (P.L.240, No.61),  
44 known as the Turnpike Organization, Extension and Toll Road  
45 Conversion Act. The following shall apply:

46 (1) Except as otherwise provided under 74 Pa.C.S. Ch.  
47 81, all activities initiated under the Turnpike Organization,  
48 Extension and Toll Road Conversion Act shall continue and  
49 remain in full force and effect and may be completed under 74  
50 Pa.C.S. Ch. 81. Orders, regulations, rules and decisions  
51 which were made under the Turnpike Organization, Extension  
52 and Toll Road Conversion Act and which are in effect on the  
53 effective date of section 7(2) of this act shall remain in  
54 full force and effect until revoked, vacated or modified  
55 under 74 Pa.C.S. Ch. 81. Contracts, obligations and  
56 collective bargaining agreements entered into under the  
57 Turnpike Organization, Extension and Toll Road Conversion Act  
58 are not affected nor impaired by the repeal of the Turnpike  
59 Organization, Extension and Toll Road Conversion Act.

1           (2) Except as set forth in paragraph (3), any difference  
2 in language between 74 Pa.C.S. Ch. 81 and the Turnpike  
3 Organization, Extension and Toll Road Conversion Act is  
4 intended only to conform to the style of the Pennsylvania  
5 Consolidated Statutes and is not intended to change or affect  
6 the legislative intent, judicial construction or  
7 administration and implementation of the Turnpike  
8 Organization, Extension and Toll Road Conversion Act.

9           (3) Paragraph (2) does not apply to the addition of 74  
10 Pa.C.S. § 8105.

11 Section 9. This act shall take effect as follows:

12           (1) The following provisions shall take effect  
13 immediately:

14               (i) The addition of 74 Pa.C.S. § 8105.

15               (ii) Section 7(3) of this act.

16               (iii) This section.

17           (2) The remainder of this act shall take effect in 60  
18 days.