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#### **TRANSPORTATION**

*NOTE: Only sections that apply to Public Transportation are presented in this document. For the full version of Title 74 please refer to:*  
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**TITLE 74**  
TRANSPORTATION

**Part**

I. Preliminary Provisions

II. Public Transportation

III. Aviation

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**Enactment.** Unless otherwise noted, the provisions of Title 74 were added October 10, 1984, P.L.837, No.164, effective immediately.

PART I  
PRELIMINARY PROVISIONS

**Chapter**

1. Preliminary Provisions (Reserved)

2. Organization

3. Administrative Practice and Procedure

**Enactment.** Part I was added October 27, 2006, P.L.1182, No.122, effective in 60 days.

CHAPTER 1  
PRELIMINARY PROVISIONS  
(Reserved)

**Enactment.** Chapter 1 (Reserved) was added October 27, 2006, P.L.1182, No.122, effective in 60 days.

CHAPTER 2  
ORGANIZATION

**Sec.**

201. Definitions.

202. Deputy secretaries.

**Enactment.** Chapter 2 was added November 25, 2013, P.L.974, No.89, effective immediately.

**Special Provisions in Appendix.** See the preamble to Act 89 of 2013 in the appendix to this title for special provisions relating to legislative findings and declarations.

**§ 201. Definitions.**

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

**"Department."** The Department of Transportation of the Commonwealth.

**"Secretary."** The Secretary of Transportation of the Commonwealth.

**§ 202. Deputy secretaries.**

**(a) Appointment.**--The secretary shall appoint the following deputy secretaries:

- (1) Deputy Secretary for Administration.
- (2) Deputy Secretary for Driver and Vehicle Services.
- (3) Deputy Secretary for Highway Administration.

(4) Deputy Secretary for Multimodal Transportation.

(5) Deputy Secretary for Planning.

**(b) Administration.**--The Deputy Secretary for Administration has the powers and duties of the department under law relating to all of the following:

(1) Fiscal affairs.

(2) Operations analysis and improvement.

(3) Information services.

(4) Office services.

(5) Human resources.

(6) Equal opportunity.

**(c) Driver and vehicle services.**--The Deputy Secretary for Driver and Vehicle Services has the powers and duties of the department under law relating to all of the following:

(1) Drivers.

(2) Vehicles.

(3) Vehicle and driver safety.

(4) Services for other modes of transportation.

**(d) Highway administration.**--The Deputy Secretary for Highway Administration has the powers and duties of the department under law relating to all of the following:

(1) Design of highways and bridges.

(2) Land acquisition for highways and bridges.

(3) Construction and reconstruction of highways and bridges.

(4) Maintenance and operation of highways and bridges.

(5) Highway and bridge safety.

**(e) Multimodal transportation.**--The Deputy Secretary for Multimodal Transportation has the powers and duties of the department under law relating to modes of transportation other than highways, except recreational boating and ferry licensing, including all of the following:

(1) Local and public transportation.

(2) Rail freight.

(3) Ports and waterways.

(4) Aviation and airports.

**(f) Planning.**--The Deputy Secretary of Planning has the powers and duties of the department under law relating to all of the following:

- (1) Planning and research.
- (2) Program development and management.
- (3) Services to municipalities.

### CHAPTER 3

#### ADMINISTRATIVE PRACTICE AND PROCEDURE

##### **Sec.**

301. Definitions.

302. Use of hearing officers.

303. Diverse business participation.

**Enactment.** Chapter 3 was added October 27, 2006, P.L.1182, No.122, effective in 60 days.

##### **§ 301. Definitions.**

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

**"Department."** The Department of Transportation of the Commonwealth.

##### **§ 302. Use of hearing officers.**

**(a) General rule.**--The department may not utilize the services of employees of the department as hearing officers with respect to the following activities and proceedings of the department:

- (1) Appeals from the department's denial or recall of an occupational limited license.
- (2) Appeals from the department's cancellation, denial or recall of a probationary license.

(3) Requests for record review under 75 Pa.C.S. § 1516 (relating to department records).

(4) Hearings to request credit toward serving driving privilege or vehicle registration suspensions.

(5) Appeals from the department's refusal to issue a certificate of title for reasons other than failure to pay a required fee or tax in connection with or resulting from the acquisition or use of a vehicle.

(6) Any other matter as determined by the department by regulation.

**(b) Scope of authority.**--A hearing officer utilized by the department for the proceedings described under subsection (a) shall be vested with the same authority and duties as a department hearing officer under the provisions of 67 Pa. Code Ch. 491 (relating to administrative practice and procedure).

**(c) Appeals.**--An adjudication by a hearing officer utilized by the department under subsection (a) shall be appealable in accordance with 67 Pa. Code § 491.12 (relating to exceptions).

### **§ 303. Diverse business participation.**

**(a) General rule.**--In administering contracts for construction and professional services relating to transportation projects which are funded pursuant to the provisions of this title or 75 Pa.C.S. (relating to vehicles), the contracting entities shall:

(1) Be responsible for ensuring that all competitive contract opportunities subject to this section which are issued by the contracting entities seek to maximize participation by diverse businesses.

(1.1) Include in solicitations for bids and requests for proposals on all competitive contracting opportunities subject to this section notice to the bidder or offeror that:

(i) The bidder or offeror shall document and submit to the applicable contracting entity all good faith efforts to solicit subcontractors that are diverse businesses during the bidding or proposal process.

(ii) The bidder or offeror shall provide within seven days of being declared the low bidder or successful offeror the name and business address of each subcontractor

that is a diverse business that will provide the contractor with construction or professional services in connection with the performance of the contract.

(2) Include in the solicitations for bids and requests for proposals under paragraph (1.1) language encouraging bidders and offerors to utilize and give consideration to contractors offering to utilize diverse businesses in the selection and award of contracts.

(3) Ensure that the contracting entities' commitment to participation by diverse businesses is clearly understood and appropriately implemented and enforced by all the contracting entities.

(4) Designate a responsible official to supervise the contracting entities' diverse business program and ensure compliance within the contracting entities.

(5) (Reserved).

(6) Impose sanctions, as may be appropriate under 62 Pa.C.S. § 531 (relating to debarment or suspension), against businesses that fail to comply with this section or the policies of the Commonwealth related to diverse businesses. This paragraph shall not apply to a local transportation organization.

(7) Ensure that each contract entered into with a contractor under this section includes provisions prohibiting discrimination in accordance with 62 Pa.C.S. § 3701 (relating to contract provisions prohibiting discrimination).

**(a.1) Additional duties of department.**--The department, with the assistance of a diverse business enterprise supportive services center, shall have the following duties:

(1) Conduct the necessary and appropriate outreach, including using the database available on the Internet website of the Department of General Services and the Federal Government's system of award management database, for purposes of identifying diverse businesses in general construction or professional services capable of performing contracts subject to this section.

(2) By October 1, 2014, and each October 1 thereafter, submit a report to the chairman and minority chairman of the Transportation Committee of the Senate and the chairman and minority chairman of the Transportation Committee of the House of Representatives summarizing the participation level of diverse businesses in all competitive



contract opportunities issued by contracting entities. The commission and local transportation organizations shall cooperate with the department to complete the report.

The report shall include:

- (i) The percentage of participation by diverse businesses.
- (ii) The total value of all contracts executed which include participation by diverse businesses pursuant to this section in the prior year.
- (iii) The number of businesses penalized for violating this section.

(3) Transmit the report under paragraph (2) to the Pennsylvania Minority Business Development Authority, established under the act of July 22, 1974 (P.L.598, No.206), known as the Pennsylvania Minority Business Development Authority Act. The authority shall review the report to assess the effectiveness in advancing this section and to make any recommendations for changes in this section deemed necessary or desirable to the secretary and the chairman and minority chairman of the Transportation Committee of the Senate and the chairman and minority chairman of the Transportation Committee of the House of Representatives.

**(a.2) Replacement of diverse business.**--If, at any time during the evaluation of a bid or proposal or the construction of a project or the performance of a professional service pursuant to a bid, proposal or contract subject to this section, it becomes necessary to replace a subcontractor that is a diverse business, the bidder, offeror or contractor, as appropriate, shall immediately notify the contracting entity of the need to replace the diverse business. The notice shall include the reasons for the replacement.

**(a.3) Applicability.**--The following shall apply to a contractor and contract subject to subsection (a):

- (1) The provisions of 62 Pa.C.S. § 2108 (relating to compliance with Federal requirements).
- (2) Prompt payment policies between a contractor and subcontractor adopted by the Department of General Services pursuant to 62 Pa.C.S. Pt. II (relating to general procurement provisions).

**(a.4) Construction.**--Nothing in this section shall be construed to supersede, nullify or otherwise affect 51 Pa.C.S. § 9603 (relating to participation goal). In the case of an inconsistency between this section and 51 Pa.C.S. Ch. 96 (relating to veteran-owned small businesses), the provisions of 51 Pa.C.S. Ch. 96 shall prevail.

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

**"Commission."** As defined in section 8102 (relating to definitions).

**"Contract."** As defined in 62 Pa.C.S. § 103 (relating to definitions).

**"Contracting entities."** The following:

- (1) The department.
- (2) The commission.
- (3) A local transportation organization.

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

**"Diverse business."** A disadvantaged business, minority-owned or women-owned business or service-disabled veteran-owned or veteran-owned small business that has been certified by a third-party certifying organization.

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

- (1) A political subdivision or a public transportation authority, port authority or redevelopment authority organized under the laws of this Commonwealth or pursuant to an interstate compact or otherwise empowered to render, contract for the rendering of or assist in the rendering of transportation service in a limited area in this Commonwealth, even though it may also render or assist in rendering transportation service in adjacent states.
- (2) A nonprofit association that directly or indirectly provides public transportation service.
- (3) A nonprofit association of public transportation providers operating within this Commonwealth.

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

"Professional services." An industry of infrequent, technical or unique functions performed by independent contractors or consultants whose occupation is the rendering of the services.

The term includes:

- (1) Design professional services as defined in 62 Pa.C.S. § 901 (relating to definitions).
- (2) Legal services.
- (3) Advertising or public relations services.
- (4) Accounting, auditing or actuarial services.
- (5) Security consultant services.
- (6) Computer and information technology services.
- (7) Insurance underwriting services.

"Service-disabled veteran-owned small business." As defined in 51 Pa.C.S. § 9601 (relating to definitions).

"Third-party certifying organization." An organization that certifies a small business, minority-owned business, women-owned business or veteran-owned small business as a diverse business. The term includes:

- (1) The National Minority Supplier Development Council.
- (2) The Women's Business Development Enterprise National Council.
- (3) The Small Business Administration.
- (4) The Department of Veterans Affairs.
- (5) The Pennsylvania Unified Certification Program.

"Veteran-owned small business." As defined in 51 Pa.C.S. § 9601 (relating to definitions).

"Women-owned business." A business owned and controlled by a majority of individuals who are women.

(July 18, 2007, P.L.169, No.44, eff. imd.; Nov. 25, 2013, P.L.974, No.89, eff. 60 days)

**2013 Amendment.** Section 43(1) of Act 89 provided that section 303 shall apply to competitive contract opportunities issued on or after July 1, 2014. See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

PART II  
PUBLIC TRANSPORTATION

**Chapter**

- 11. Preliminary Provisions
- 13. Public Transportation Assistance (Repealed)
- 15. Sustainable Mobility Options
- 17. Metropolitan Transportation Authorities
- 21. Multimodal Fund

**Enactment.** Part II was added August 5, 1991, P.L.238, No.26, effective immediately, unless otherwise noted.

CHAPTER 11  
PRELIMINARY PROVISIONS

**Sec.**

1101. Short title of part.

**Enactment.** Chapter 11 was added August 5, 1991, P.L.238, No.26, effective immediately.

**§ 1101. Short title of part.**

This part shall be known and may be cited as the Public Transportation Law.

CHAPTER 13  
PUBLIC TRANSPORTATION ASSISTANCE  
(Repealed)

**2007 Repeal.** Chapter 13 (§§ 1301 - 1315) was added August 5, 1991, P.L.238, No.26, and repealed July 18, 2007, P.L.169, No.44, effective immediately and retroactive to July 1, 2007.

**Special Provisions in Appendix.** See sections 8 and 9 of Act 44 of 2007 in the appendix to this title for special provisions relating to continuation of prior financial assistance and funds appropriated and Public Transportation Assistance Fund.

CHAPTER 15  
SUSTAINABLE MOBILITY OPTIONS

**Sec.**

- 1501. Scope of chapter.
- 1502. (Reserved).
- 1503. Definitions.
- 1504. Department authorization.
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- 1514. Asset improvement program.
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- 1516. Programs of Statewide significance.
- 1517. Capital improvements program.
- 1517.1. Alternative energy capital investment program.
- 1518. Program oversight and administration.
- 1519. Retroactive authority.
- 1520. Evaluation of private investment opportunities.

**Enactment.** Chapter 15 was added July 18, 2007, P.L.169, No.44, effective immediately and retroactive to July 1, 2007.

**Prior Provisions.** Former Chapter 15, which related to metropolitan transportation authorities, was added August 5, 1991, P.L.238, No.26, and repealed February 10, 1994, P.L.20, No.3, effective immediately. The subject matter is now contained in Chapter 17.

**Cross References.** Chapter 15 is referred to in section 8915.4 of Title 75 (Vehicles).

**§ 1501. Scope of chapter.**

This chapter relates to sustainable mobility options.

**§ 1502. (Reserved).**

**§ 1503. Definitions.**

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

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

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

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

**"Award recipient."** A recipient of financial assistance under this chapter.

**"Base operating allocation."** The total amount of State operating assistance, reimbursement in lieu of fares for senior passengers and other assistance which was used for operating assistance as determined by the department in the last full fiscal year that the qualifying local transportation organization received the assistance, including the funds received under section 1517.1(c) (relating to Alternative Energy Capital Investment Program).

**"Capital expenditures."** All costs of capital projects, including, but not limited to, the costs of acquisition, construction, installation, start-up of operations, improvements and all work and materials incident thereto. Preventive maintenance expenses, as defined by the Federal Transit Administration, may be deemed eligible as a capital expenditure based on written approval by the department at its discretion.

**"Capital project."** A system or component of a system for the provision of public passenger transportation. The term includes vehicles; infrastructure power; passenger amenities; storage and maintenance buildings; parking facilities; the land on which any capital project is situated and the land needed to support it, whether owned in whole or in part; overhaul of vehicles; debt service; and the cost of issuance of bonds, notes and other evidences of indebtedness which a local transportation organization or transportation company is permitted to issue under any law of this Commonwealth.

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

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

taxi service, charter and sightseeing service, nonpublic transportation, school bus and limousine service.

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

**"Department."** The Department of Transportation of the Commonwealth.

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

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

**"Fixed-route public transportation service."** Regularly scheduled general public transportation that is provided according to published schedules along designated routes, with specified stopping points for the taking on and discharging of passengers, including public bus and commuter rail systems and other department-approved service. The term does not include exclusive ride taxi service, charter or sightseeing service, nonpublic transportation, school bus and limousine service.

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

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

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



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

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

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

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

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

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

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

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

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

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

from jobs and employment support services administered under the provisions of 49 U.S.C. § 5317 (relating to New Freedom Program).

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

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

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

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

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

- (1) Passenger fares.
- (2) Reimbursements provided in lieu of fares for senior passengers.
- (3) Charter, school bus and advertising revenue.
- (4) Other miscellaneous revenue such as public and private route guarantee funds.

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

**"Passengers."** The total of all originating passengers plus transfer passengers carried on fixed-route public transportation service and paratransit service with respect to the most

recent fiscal year as reported in the most recent Public Passenger Transportation Performance Report.

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

**"Public Passenger Transportation Performance Report."** An annual report completed by the Department of Transportation which shall include all of the following:

- (1) Each local transportation organization's passengers, revenue vehicle miles, revenue vehicle hours and senior passengers statistics for the most recently available fiscal year.
- (2) Any other statistical information that the Department of Transportation deems necessary.

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

**"Revenue vehicle hours."** The total amount of time calculated in hours during which vehicles are in service and available for public use in fixed-route public transportation service or paratransit service with respect to the most recent fiscal year as reported in the most recent Public Passenger Transportation Performance Report. The term does not include deadhead hours.

**"Revenue vehicle miles."** The total amount of distance calculated in miles during which vehicles are in service and available for public use in fixed-route public transportation service or paratransit service with respect to the most recent fiscal year as reported in the most recent Public Passenger Transportation Performance Report. The term does not include deadhead miles.

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

**"Secretary."** The Secretary of Transportation of the Commonwealth.

**"Senior citizen."** A person who is at least 65 years of age.

**"Senior passenger."** A senior citizen who rides on fixed-route service.

**"Senior passengers."** The number of senior passengers transported by a local transportation organization with respect to the most recent fiscal year as reported in the most recent Public Passenger Transportation Performance Report.

**"Tax Reform Code."** The act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

**"Transportation company."** A person that renders public passenger transportation service.

**"Urbanized area."** A portion of this Commonwealth classified as urbanized by the United States Bureau of the Census of the United States Department of Commerce in the most recent Census of Population.

**"Vehicle maintenance expenses."** The categories of costs associated with the inspection, maintenance and repair of vehicles as specified in Uniform System of Accounts, Expense Function 041, National Transit Database operating expenses form F 30, National Transit Database, Final Rule, Federal Transit Administration, dated January 15, 1993, or any successor.

**"Welfare-to-work."** Any Federal or State program designed to move individuals from dependency on public welfare programs to self-sufficiency through paid work.

(Nov. 25, 2013, P.L.974, No.89, eff. July 1, 2014)

**2013 Amendment.** Act 89 amended the defs. of "base operating allocation" and "capital expenditures." See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**§ 1504. Department authorization.**

**(a) General.--**

(1) The department may, within the limitations provided in this chapter, incur costs directly and provide financial assistance for the purposes and activities enumerated in this chapter.

(2) In the event of imminent service termination, the department shall make every effort to contract with a local transportation organization to provide the programs, activities and services enumerated in this chapter. After all local transportation organization contracting options are exhausted, the department may contract with a transportation company to provide the programs, activities and services enumerated in this chapter. The operation of the programs, activities and services administered by the department and provided by the local transportation organization or transportation company under this subsection shall not be subject to the jurisdiction of the Pennsylvania Public Utility Commission.

**(b) Supplementation of Federal and local funds.--**The authority conferred on the department by this chapter includes providing financial assistance for public passenger transportation purposes and supplementing Federal funding or local funding or both.

(Nov. 25, 2013, P.L.974, No.89, eff. imd.)

**2013 Amendment.** Act 89 amended subsec. (a). See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**§ 1505. Regulations.**

**(a) General rule.--**To effectuate and enforce the provisions of this chapter, the department shall promulgate necessary rules and regulations and prescribe conditions and procedures in order to assure compliance in carrying out the purposes for which financial assistance may be provided under this chapter.

**(b) Temporary regulations.--**

(1) Unless otherwise provided in this chapter, in order to facilitate the prompt implementation of this chapter, during the two-year period following the effective date of this section, the department shall promulgate temporary regulations which shall expire four years from the effective date of this section. The temporary regulations shall be exempt from the following:

(i) Sections 201, 202, 203 and 204 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

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

(2) The authority of the department to promulgate temporary regulations under this subsection shall expire two years from the effective date of this section. Regulations adopted after the two-year period shall be promulgated as provided by statute.

**§ 1506. Fund.**

**(a) Establishment.--**A special fund is established within the State Treasury to be known as the Public Transportation Trust Fund. Money in the fund is hereby appropriated, upon approval of the Governor, to the department for the purposes set forth under this chapter.

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

(1) The following apply:

(i) Upon receipt, the department shall deposit into the fund the revenues received by the department under 75 Pa.C.S. Ch. 89 (relating to Pennsylvania Turnpike) and the lease agreement executed between the department and the Pennsylvania Turnpike Commission under 75 Pa.C.S. § 8915.3 (relating to lease of Interstate 80; related agreements).

(ii) The deposits made to the fund under this subsection shall equal \$450,000,000 annually for each fiscal year for fiscal years 2014-2015 through 2021-2022.

(iii) The deposits made to the fund under this subsection shall equal \$50,000,000 annually for fiscal year 2022-2023 and each fiscal year thereafter.

(2) Upon receipt, the department shall deposit the amount made available to the department as an executive authorization and any appropriation for the 2007-2008 fiscal year and each fiscal year thereafter from the State Lottery Fund for fixed route transit and for the Free Transit Program for Senior Citizens established under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law. The funds deposited under this paragraph shall only be used as permitted by the State Lottery Law, except that:

(i) funds may be used to pay estimated transit losses resulting from providing free service for senior passengers during the provider's regular hours of service; and

(ii) fares for senior citizens on commuter rail service shall be limited to \$1 per trip and shall be extended to all hours of commuter rail service.

**(c) Other deposits.**--The following shall be deposited into the fund annually:

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

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

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

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

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

(3.1) (Reserved).

(3.2) The revenues deposited in the fund in accordance with 75 Pa.C.S. § 1786 (relating to required financial responsibility).

(3.3) The revenues deposited in the fund in accordance with 75 Pa.C.S. § 3111(a.1)(2)(ii) (relating to obedience to traffic-control devices).

(3.4) For fiscal year 2022-2023 and each fiscal year thereafter, an amount equal to the amount collected under Article II of the Tax Reform Code, multiplied by the ratio that \$450,000,000 is to the total amount collected under Article II of the Tax Reform Code in the fiscal year ending June 30, 2021, or \$450,000,000, whichever is greater, shall be transferred to the fund. The source of the transfer shall be the revenue collected under section 238 of the Tax Reform Code on motor vehicles, trailers and semi-trailers.

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

**(d) Use of revenues.**--Money in the fund shall be used by the department as follows:

(1) to provide financial assistance through the programs established under this chapter;

(2) for costs incurred directly by the department in the administration of public passenger transportation programs, including under this chapter; and

(3) for all other purposes enumerated under this chapter.

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

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

(i) From the revenues deposited in the fund under subsection (b)(1):

(A) For fiscal year 2013-2014, \$209,000,000 and for fiscal year 2014-2015, \$187,000,000.

(B) For fiscal years 2015-2016 and 2016-2017, \$110,000,000.

(C) For fiscal years 2017-2018 and each fiscal year thereafter, \$25,000,000.

(ii) All revenues deposited in the fund under subsection (b)(2).

(iii) 86.76% of the revenues deposited in the fund under subsection (c)(1).

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

(v) The following percentages of the revenue deposited in the fund in accordance with 75 Pa.C.S. § 1904 (relating to collection and disposition of fees and moneys):

(A) For fiscal year 2013-2014, 5.8%.

(A.1) For fiscal year 2014-2015, 8.8%.



(B) For fiscal years 2015-2016 and 2016-2017, 46.6%.

(C) For fiscal year 2017-2018 and each fiscal year thereafter, 69.3%.

(vi) All revenue deposited into the fund under subsection (c)(3.2).

(vii) Twenty-five million dollars from the revenue deposited into the fund under subsection (c)(3.4).

(2) For the program established under section 1514 (relating to asset improvement program):

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

(ii) Ninety-five percent of the remaining revenue deposited in the fund under subsection (b)(1) and (c)(3.4), after the transfer of \$30,000,000 to the Multimodal Transportation Fund under paragraph (6).

(iii) The revenue deposited in the fund under subsection (c)(3.3).

(iv) The following percentages of revenue deposited in the fund in accordance with 75 Pa.C.S. § 1904:

(A) For fiscal year 2013-2014, 28.1%.

(B) For fiscal year 2014-2015, 35.1%.

(C) For fiscal years 2015-2016 and 2016-2017, 20%.

(D) For fiscal year 2017-2018 and each fiscal year thereafter, 7.7%.

(3) For the program established under section 1516 (relating to programs of Statewide significance):

(i) 13.24% of the revenues deposited in the fund under subsection (c)(1).

(ii) The revenue deposited in the fund under subsection (b)(1) and (c)(3.4) remaining after the allocation under paragraph (2)(ii).

(4) (Deleted by amendment).

(5) For the program established under section 1517.1 (relating to Alternative Energy Capital Investment Program), no more than \$60,000,000 of the revenue deposited in the fund under subsection (c) may be allocated from the fund.

(6) Thirty million dollars of the revenue deposited in the fund under subsection (b)(1) and (c)(3.4) shall be transferred to the Multimodal Transportation Fund.

(Nov. 25, 2013, P.L.974, No.89)

**2013 Amendment.** Act 89 amended subsecs. (b)(1), (c) and (e), effective immediately as to subsecs. (c) and (e)(1)(i), (vi) and (vii), (2), (3) and (5), January 1, 2014, as to subsec. (e)(1)(iii) and (v) and (4), July 1, 2014, as to subsecs. (b) and (e)(6) and 60 days as to the remainder of the section. See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**Cross References.** Section 1506 is referred to in sections 1503, 1513, 1515 of this title; section 8915.4 of Title 75 (Vehicles).

#### **§ 1507. Application and approval process.**

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

- (1) The name and address of the applicant.
- (2) The name and telephone number of a contact person for the applicant.
- (3) The amount and type of financial assistance requested and the proposed use of the funds.
- (4) A statement as to the particular need for the financial assistance.
- (5) A certified copy of a current resolution authorizing submission of the application if the applicant is a governing body.
- (6) Evidence satisfactory to the department of the commitment for matching funds required under this chapter sufficient to match the projected financial assistance payments, provided no later than June 30 of the applicable fiscal year. If the evidence required under this paragraph is not provided to the satisfaction of the department, subsequent funding under section 1513 (relating to operating program) shall be withheld until the applicant meets the requirements of this paragraph.

(6.1) A statement of policy outlining the basic principles for the adjustment of fare growth to meet the rate of inflation.

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

**(b) Approval and award.**--Upon determining that an applicant has complied with this chapter, applicable rules and regulations and any other requirement with respect to the financial assistance requested, the department may award financial assistance to the applicant. If the department awards financial assistance to the applicant, the department and the applicant shall enter into a financial assistance agreement setting forth the terms and conditions governing the use of the financial assistance and the timing of payment of the funds. The department shall develop guidelines for the application for and awarding of financial assistance under this chapter and shall forward them to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.

**(c) Restriction on use of funds.**--Unless the department grants the award recipient a waiver allowing the funds to be used for a different purpose, financial assistance under this chapter shall be used only for activities set forth under the financial assistance agreement. The department's regulations shall describe circumstances under which it will consider waiver requests and shall set forth all information to be included in a waiver request. The waiver request shall include a plan of corrective action to demonstrate that the award recipient does not have an ongoing need to use financial assistance funds for activities other than those for which funds were originally awarded. The duration of the waiver may not exceed the duration of the plan of corrective action. The department shall monitor implementation of the plan of corrective action. If the plan of corrective action is not implemented by the local transportation organization, the department shall rescind the waiver approval.

(Nov. 25, 2013, P.L.974, No.89, eff. 60 days)

**2013 Amendment.** Act 89 amended subsecs. (a)(6) and (c) and added subsec. (a)(6.1). See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**Cross References.** Section 1507 is referred to in sections 1513, 1514, 1515, 1516, 1517 of this title.

**§ 1508. Federal funding.**

**(a) General rule.**--The department shall administer the programs established under this chapter in a manner that permits full cooperation between Federal, State and local governments, agencies and instrumentalities, local transportation organizations and private interests, so as to result in as effective and economical a program as possible.

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

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

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

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

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

**§ 1510. Program oversight and administration.**

**(a) Review and oversight.**--The department shall initiate and maintain a program of financial and performance review and oversight for all programs receiving financial assistance under this chapter. The department may perform independent financial audits of each award recipient to ensure compliance by award recipients with this chapter, department regulations and policies and financial assistance agreements. Audits shall be conducted in accordance with generally accepted auditing standards.

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

**Cross References.** Section 1510 is referred to in section 1516 of this title.

**§ 1511. Report to Governor and General Assembly.**

The department shall submit a public passenger transportation performance report to the Governor and the General Assembly by April 30 of each year, covering the prior fiscal year.

(Nov. 25, 2013, P.L.974, No.89, eff. 60 days)

**2013 Amendment.** See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**§ 1512. Coordination and consolidation.**

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

**(b) Consolidation and mutual cooperation.--**

(1) The department, in consultation with local governments and local transportation organizations, shall study the feasibility of consolidation and mutual cooperation among local transportation organizations as a means of reducing annual expenses without loss of service to the communities they serve. The study shall examine the creation of service regions or mutual cooperation pacts to determine whether either method would reduce annual expenses. The feasibility analysis is to include a cost-benefit analysis and operational analysis.

(2) If the results of a feasibility analysis under paragraph (1) estimate an annual net savings at the time of completion of the study, the local transportation organization and local government may implement the recommended action.

(3) The department shall waive the match requirement under sections 1513 (relating to operating program) and 1514 (relating to asset improvement program) for five fiscal years for the local transportation organization's participation in the recommended action under paragraph (2) in an amount not to exceed the estimated annual net savings of the implemented recommendations.

**(c) Funding for merger and consolidation incentives and mutual cooperation pacts.--**A capital project that is needed to support a local transportation organization that has agreed to merge and consolidate operations and administration or share facilities or staff through a mutual cooperation pact to achieve cost and service efficiencies shall be eligible for financial assistance under this chapter. The application for financial assistance must do all of the following:

(1) Identify the efficiencies in a merger and consolidation plan or mutual cooperation pact.

(2) Include the expected net dollar savings that will result from the merger, consolidation or pact.

(Nov. 25, 2013, P.L.974, No.89, eff. imd.)

**2013 Amendment.** Section 43(2) of Act 89 provided that section 1512 shall apply to feasibility studies performed prior to or after the effective date of section 43. See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**§ 1513. Operating program.**

**(a) Eligible applicants.--**The following may apply for financial assistance for operating expenses under this section:

- (1) The governing body of a municipality or an instrumentality of a municipality.
- (2) A Commonwealth agency or instrumentality.
- (3) A local transportation organization.

**(b) Applications.--**In addition to information required under section 1507 (relating to application and approval process), an application for financial assistance under this section shall include the applicant's reasonable estimates of operating revenue and government subsidies sufficient to cover all projected operating expenses.

**(c) Distribution formula.--**

(1) No later than 15 business days after the effective date of this section, the department shall forward to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin the base operating allocation for each local transportation organization.

(1.1) For purposes of determining the amount of assistance available for distribution under this subsection, in addition to the amounts allocated under section 1506(e)(1)(relating to fund), an amount equal to the revenue in the Public Transportation Assistance Fund dedicated pursuant to law shall be included.

(2) For fiscal year 2007-2008 and each fiscal year thereafter, each qualifying local transportation organization shall receive financial assistance which shall consist of the following:

(i) Its base operating allocation multiplied by 1.0506.

(ii) An additional amount which shall be allocated based on the following distribution formula:

(A) Twenty-five percent of the award amount shall be based on the number of passengers. The actual amount received by each local transportation organization under this clause shall be calculated as follows:

(I) Multiply the total amount of funding available for distribution under this paragraph by 0.25.

(II) Multiply the product under subclause (I) by the local transportation organization's number of passengers.

(III) Divide the product under subclause (II) by the total number of passengers for all local transportation organizations.

(B) Ten percent of the award amount shall be based on the number of senior passengers to offset free fares for senior passengers. The actual amount received by each local transportation organization under this clause shall be calculated as follows:

(I) Multiply the total amount of funding available for distribution under this paragraph by 0.10.

(II) Multiply the product under subclause (I) by the local transportation organization's number of senior passengers.

(III) Divide the product under subclause (II) by the total number of senior passengers for all local transportation organizations.

(C) Thirty-five percent of the award amount shall be based on the number of revenue vehicle hours. The actual amount received by each local transportation organization under this clause shall be calculated as follows:



(I) Multiply the total amount of funding available for distribution under this paragraph by 0.35.

(II) Multiply the product under subclause (I) by the local transportation organization's number of revenue vehicle hours.

(III) Divide the product under subclause (II) by the total of the revenue vehicle hours for all local transportation organizations.

(D) Thirty percent of the award amount shall be based on the number of revenue vehicle miles. The actual amount received by each local transportation organization under this clause shall be calculated as follows:

(I) Multiply the total amount of funding available for distribution under this paragraph by 0.30.

(II) Multiply the product under subclause (I) by the local transportation organization's number of revenue vehicle miles.

(III) Divide the product under subclause (II) by the total number of revenue vehicle miles for all local transportation organizations.

(3) For the 2007-2008 fiscal year, no local transportation organization shall receive total financial assistance under this subsection that would be more than 50% higher than the amount it receives under paragraph (2)(i). For each subsequent fiscal year, the increase in the total financial assistance provided to each local transportation organization shall not exceed 20% of the prior year allocation.

**(c.1) Minimum.**--No local transportation organization shall receive financial assistance under this section in an amount less than the amount received in the previous fiscal year.

**(d) Local match requirements.**--

(1) For fiscal year 2007-2008 and each fiscal year thereafter, except as provided under paragraph (2), financial assistance provided under this section shall be matched by local or private cash funding in an amount not less than the greater of:

(i) 15% of the amount of the financial assistance being provided; or

(ii) the amount required under former section 1311(d) (relating to use of funds distributed) for fiscal year 2006-2007.

(2) Beginning in fiscal year 2007-2008 and each fiscal year thereafter, if the local matching funds provided are less than 15% of the amount of financial assistance received, the local transportation organization's required local matching funds shall increase annually in order to meet the 15% requirement set forth under paragraph (1)(i). The local matching funds shall be increased annually by a minimum of 5% above the amount of local matching funds provided in the previous fiscal year unless a lesser amount is necessary to meet the 15% requirement set forth under paragraph (1)(i).

(3) Eligible local matching funds shall consist only of cash contributions provided by one or more municipalities or counties. The amount of the match and the time period during which the match must continue to be available shall be specified in the financial assistance agreement. Funding provided by local and private entities, including advertising or naming rights, may qualify as local matching funds to the extent they provide for the cost of transit service that is open to the public. The following shall not be considered local matching funds:

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

(ii) Funds used to replace fares.

(4) A municipality in a metropolitan area which is a member of a local transportation organization is authorized to provide annual financial assistance from current revenues to the local transportation organization of which it is a member or enter into a long-term agreement for payment of money to assist in defraying the costs of operation, maintenance and debt service of the local transportation organization or of a particular public transportation project of a local transportation organization. The obligation of a municipality under an agreement pursuant to this paragraph shall not be considered to be a part of the indebtedness of the municipality, nor shall the obligation be deemed to impair the status of any indebtedness of the municipality which would otherwise be considered self-sustaining.

**(e) Performance reviews.--**

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

- (i) highlights exceptional performance and identifies any problems that need to be resolved;
- (ii) assesses performance, efficiency and effectiveness of the use of the financial assistance;
- (iii) makes recommendations on follow-up actions required to remedy any problem identified; and
- (iv) provides an action plan documenting who should perform the recommended actions and a time frame within which they should be performed.

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

**(f) Performance criteria.--**Criteria used for the reviews conducted under subsection (e) shall consist of passengers per revenue vehicle hour, operating costs per revenue vehicle hour, operating revenue per revenue vehicle hour, operating costs per passenger and other items as the department may establish. The department's regulations shall set forth the minimum system performance criteria based upon comparison of the award recipient to its past performance and to its peers that an award recipient must satisfy.

**(g) Failure to satisfy minimum performance criteria.--**

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

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

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

(2) The department shall review and evaluate the award recipient's progress to determine if the system has improved. If the system has improved, the award recipient will remain eligible for full formula funding as determined under subsection (c). If the system has not improved by the end of the waiver period, the waiver will be withdrawn. Expenses incurred by the award recipient as a result of the failure of the award recipient's system to meet the minimum performance criteria shall be borne by the award recipient.

**(h) Adjustments to minimum performance criteria.--**Upon written request of an award recipient, the department may adjust the minimum performance criteria described in subsection (g) in a given year if the performance of the award recipient's system is adversely affected by circumstances which are beyond the award recipient's control. Examples are labor strikes, infrastructure failures and natural disasters. The request must include the award recipient's reasons for seeking the adjustment.

**Cross References.** Section 1513 is referred to in sections 1507, 1512, 1514, 1515, 1516, 1517.1 of this title.

**§ 1514. Asset improvement program.**

**(a) Eligible applicants.--**

(1) The following may apply for financial assistance for improvement, replacement or expansion of capital projects under this section:

(i) A local transportation organization.

(ii) An agency or instrumentality of the Commonwealth.

(iii) A person responsible for coordinating community transportation program services.

(iv) Any other person the department deems to be eligible.

(2) The department shall develop and maintain four-year and 12-year plans that summarize the capital projects and financial assistance commitments for each applicant. The department may enter into multiyear agreements to provide financial assistance for capital projects based upon cash flow and revenue projections for the fund. Each capital project shall be based on the plan developed by the department.

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

(1) Evidence satisfactory to the department that the proposed capital project is included in the first year of the applicant's four-year capital plan and its federally approved transportation improvement program.

(2) If an applicant is requesting financial assistance for replacement of a capital project, evidence satisfactory to the department that the capital project to be replaced has exceeded the useful life criteria as defined by the department. At its discretion, the department may approve funding to replace a capital project that does not exceed the useful life criteria if the applicant provides documentation acceptable to the department to justify the early replacement of the capital project.

(3) If the applicant is requesting financial assistance for expansion of a capital project, evidence satisfactory to the department that the applicant will have sufficient future annual operating funds to support the proposed expansion.

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

**(c) Local match requirements.--**

(1) Financial assistance under this section shall be matched by local or private cash funding in an amount not less than 3.33% of the amount of the financial assistance being provided. The source of funds for the local match shall be subject to the requirements of section 1513(d)(3) (relating to operating program).

(2) The secretary may waive up to 75% of the local match required under paragraph (1) upon the written request of an applicant accompanied by the applicant's justification for the waiver.

**(d) Conditions for receipt of bond funding.--**Financial assistance that is funded by proceeds of Commonwealth capital bonds may be provided to an applicant if all of the following conditions are met:

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

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

(3) The department has approved the underlying application for the capital project.

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

(1) Requests for funds required to support existing local bond issues currently supported with State revenue sources, such as debt service and asset leases. The Commonwealth pledges to and agrees with any person, firm or corporation holding any bonds previously issued by, or any other debt incurred by, a local transportation organization and secured in whole or part by a pledge of the funds provided to the local transportation organization from the fund that the Commonwealth will not limit or alter

rights vested in a local transportation organization in any manner inconsistent with obligations of the local transportation organization to the obligees of the local transportation organization until all bonds previously issued or other debt incurred, together with the interest thereon, is fully paid or provided for.

(2) Requests for funds required to match federally approved capital projects funded under 49 U.S.C. §§ 5307 (relating to urbanized area formula grants) and 5309 (relating to capital investment grants and loans) and other federally approved capital projects.

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

(i) Essential emergency asset improvement projects.

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

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

(iv) Acquisition of new assets and other acceptable purposes, other than projects to be funded under the new initiatives program described in section 1515 (relating to new initiatives program), as determined by the department.

**(e.1) Distribution.**--The department shall allocate financial assistance under this section on a percentage basis of available funds each fiscal year as follows:

(1) The local transportation organization organized and existing under Chapter 17 (relating to metropolitan transportation authorities) as the primary provider of public passenger transportation for the counties of Bucks, Chester, Delaware, Montgomery and Philadelphia shall receive 69.4% of the funds available for distribution under this section.

(2) The local transportation organization organized and existing under the act of April 6, 1956 (1955 P.L.1414, No.465), known as the Second Class County Port Authority Act, as the primary provider of public transportation for the county of Allegheny shall receive 22.6% of the funds available for distribution under this section.

(3) Other local transportation organizations organized and existing as the primary providers of public passenger transportation for the counties of this Commonwealth not identified under paragraph (1) or (2) shall receive 8% of the funds available for distribution

under this section. The department shall allocate the funds under this paragraph among the local transportation organizations.

(4) Notwithstanding paragraphs (1), (2) and (3) and before distributing the funds under paragraph (1), (2) or (3), the department shall set aside 5% of the funds available for distribution under this section for discretionary use and distribution by the secretary.

**(f) Bonding by award recipients.**--With the approval of the department, an award recipient that is permitted by law to issue bonds may do so for the purpose of financing a multiyear capital project. The department shall enter into an agreement with the award recipient providing that payments of the awarded funds sufficient to satisfy requirements of the bonds issued be made directly to the trustee of the bondholders until such time as the bonds are retired.

(Nov. 25, 2013, P.L.974, No.89, eff. imd.)

**2013 Amendment.** Act 89 amended subsec. (c) and added subsec. (e.1). See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**Cross References.** Section 1514 is referred to in sections 1506, 1512, 1515 of this title.

#### **§ 1515. New initiatives program.**

**(a) Eligible applicants.**--Persons eligible to apply for financial assistance under section 1514 (relating to asset improvement program) shall also be eligible to apply for financial assistance for new or expansions of fixed guideway systems under this section.

**(b) Applications.**--In addition to the information required under section 1507 (relating to application and approval process), an application for financial assistance under this section shall include all of the information required in an application for financial assistance under section 1514. If the application is for a proposed expansion of a capital project, the application shall also include evidence satisfactory to the department that the applicant will have sufficient future annual operating funds to support the proposed expansion.



**(c) Source of funds and priorities.--**

(1) Sums allocated for the asset improvement program under section 1506(e)(2) (relating to fund), up to a maximum of \$50,000,000 annually, may be used by the department to provide financial assistance under this section.

(2) In awarding financial assistance under this section, the department shall give priority to applicants that intend to use the funds to satisfy the local matching portion of federally approved New Starts projects funded pursuant to 49 U.S.C. § 5309 (relating to capital investment grants and loans). The department may fund projects that do not receive funding from the Federal New Starts Program if the applicant can provide sufficient evidence that the project can meet all of the following requirements:

(i) Investments in existing service areas have been optimized.

(ii) An analysis reveals a reasonable return on investment.

(iii) The public benefit of the project has been identified.

(iv) There exists a local dedicated funding commitment to pay any required local match for the project and ongoing operating costs.

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

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

**(d) Local match requirement.--**Financial assistance under this section shall be matched by local or private cash funding in an amount not less than 3.33% of the amount of the financial assistance being provided. The source of funds for this local match shall be subject to the requirements of section 1513(d)(3) (relating to operating program).

**Cross References.** Section 1515 is referred to in section 1514 of this title.

**§ 1516. Programs of Statewide significance.**

**(a) General rule.--**Money in the fund allocated for programs of Statewide significance shall be used by the department to support public transportation programs, activities and services

not otherwise fully funded through the operating program, capital program or asset improvement program. In addition to any requirements contained in this section, applications must comply with section 1507 (relating to application and approval process). Programs of Statewide significance shall include:

- (1) The Persons with Disabilities Program.
- (2) Intercity passenger rail and bus services.
- (3) Community transportation capital and service stabilization.
- (4) The Welfare-to-Work Program and matching funds for Federal programs with similar intent.
- (5) Demonstration and research projects.
- (6) Technical assistance.
- (7) Other programs as determined by the department.
- (8) The department's costs under sections 1510(b) (relating to program oversight and administration) and 1518 (relating to program oversight and administration).

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

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

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

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

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

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

(4) Local match requirements are as follows:

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

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

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

**(d) Community transportation.--**

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

(i) Capital expenditures for the provision of community transportation service;  
and

(ii) service stabilization, including:

(A) Stabilizing current service and fares.

(B) Providing advice or technical assistance to analyze and enhance community transportation system resources and services.

(C) Maximizing available funding including Federal dollars.

(D) Ensuring equitable cost sharing.

(2) Subject to the limitations of this subsection, the following may apply for financial assistance under this subsection:

(i) The governing body of a county, other than a county of the first or second class.

(ii) A transportation company designated by the governing body of the county as the coordinator of community transportation service.

(iii) An agency or instrumentality of the Commonwealth.

(2.1) Each eligible applicant shall be subject to all of the following requirements:

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

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

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

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

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

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

(ii) Technology investment.

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

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

(v) Marketing activities.

(vi) Other stabilization purposes approved by the department.

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

(5) The department shall conduct a study to evaluate the effectiveness and efficiency of community transportation service delivery as it relates to human service programs. The Department of Public Welfare, the Office of the Budget and the Department of Aging and other appropriate Commonwealth agencies identified by the department shall participate in the study. Within two years following the effective date of this section, these agencies shall make recommendations to the Governor and the Majority and Minority chairpersons of the Transportation Committee of the Senate and the Majority and Minority chairpersons of the Transportation Committee of the House of Representatives for improving coordination and efficiency of human services and community transportation.

**(d.1) Welfare-to-work and Federal programs match.**--The department is authorized to provide financial assistance under this section to design and implement projects and services and to reimburse award recipients for the expenses associated with the projects and services that identify and address public passenger transportation and related barriers preventing individuals eligible for participation in the Federal welfare-to-work program from securing and maintaining employment and from accessing community services and facilities. All of the following shall apply:

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

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

- (i) Fixed-route service subsidy.
- (ii) Contracted transportation services.
- (iii) Fixed-route fare discounts.
- (iv) Community transportation fare discounts.
- (v) Taxi fare discounts.
- (vi) Mileage reimbursement.
- (vii) Vehicle purchase, insurance, maintenance and repair.
- (viii) Driver education classes.
- (ix) Administrative expenses.
- (x) Case management expenses.
- (xi) Any other activities consistent with the transportation related elements of the welfare-to-work program.

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

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

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

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

(3) Financial assistance under this subsection provided to a local transportation organization shall be matched by local or private cash funding in an amount not less than 3.33% of the amount of the financial assistance being provided. The sources of funds for the local match shall be subject to the requirements of section 1513(d)(3) (relating to operating program).

(4) As follows:

(i) For short-term demonstration projects awarded financial assistance under this subsection, the department shall determine if the demonstration project was successful based upon the performance criteria established prior to the commencement of the demonstration project and approved by the department.

(ii) If the department determines that the demonstration project was successful, the local transportation organization or agency or instrumentality of the Commonwealth that conducted the demonstration project shall be eligible to apply for

and receive funds under section 1513 to sustain and transition the demonstration project into regularly scheduled public passenger transportation service.

(iii) During the first year in which the demonstration project is eligible for and applies for financial assistance under section 1513, the local transportation organization or agency or instrumentality of the Commonwealth that conducted the demonstration project and transitioned it to regularly scheduled public passenger transportation service shall be eligible to receive financial assistance up to 65% of the transportation service's prior fiscal year operating costs or expenses for the service as an initial base operating allocation.

(iv) The initial base operating allocation shall be taken from the growth under section 1513 over the prior year before distributing the remainder of the formula described in section 1513.

**(f) Shared Ride Community Transportation Service Delivery Pilot Program.--**

(1) The department may develop and implement a pilot program to test and evaluate new models of paying for and delivering shared ride and community transportation. The goals of the program are as follows:

(i) Develop a community transportation delivery model that can be managed to stay within budget.

(ii) Develop community transportation service standards with needs-based priorities.

(iii) Develop a business model and fare structure that work across funding programs.

(iv) Maximize efficiency and effectiveness of the services.

(2) The department shall establish an advisory committee to provide guidance and input for pilot planning, start-up, operations, data collection and post pilot evaluation. The committee shall be comprised of the following:

(i) A member appointed by the President pro tempore of the Senate.

(ii) A member appointed by the Minority Leader of the Senate.

(iii) A member appointed by the Speaker of the House of Representatives.



(iv) A member appointed by the Minority Leader of the House of Representatives.

(v) Two members from the Pennsylvania Public Transit Association appointed by the secretary.

(vi) A member appointed by the secretary to represent people with disabilities.

(vii) A member appointed by the Secretary of Aging to represent senior citizens.

(viii) A member appointed by the Secretary of Public Welfare to represent people using medical assistance transportation.

(ix) A member of the County Commissioners Association appointed by the secretary.

(x) The secretary or a designee.

(xi) The Secretary of Aging or a designee.

(xii) The Secretary of the Budget or a designee.

(xiii) The Secretary of Public Welfare or a designee.

(3) The department shall work with the committee to define potential pilot models within 12 months of the effective date of this subsection.

(4) The department shall publish the notice of availability of the program models and framework in the Pennsylvania Bulletin and receive applications from counties and shared ride community transportation systems interested in participating in the program for the three-month period following the publication of the notice.

(5) The department may work with the committee to redefine the basis for payment using lottery and other State funding sources currently used to support community transportation programs for selected pilot counties and shared ride community transportation systems to test new methods of service delivery and payment. Each project must have a business plan with management controls, service standards and budget controls. The business plan shall be reviewed by the committee prior to being implemented.

(Nov. 25, 2013, P.L.974, No.89, eff. imd.)

**2013 Amendment.** Act 89 amended subsecs. (b)(1) and (e) and added subsec. (f). See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**Cross References.** Section 1516 is referred to in section 1506 of this title.

**§ 1517. Capital improvements program.**

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

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

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

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

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

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

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

**(f) Certification ends funding.**--Financial assistance under this section shall cease when the secretary certifies that funds are no longer available for the program established under this section.

(Nov. 25, 2013, P.L.974, No.89, eff. 60 days)

**2013 Amendment.** Act 89 added subsec. (f). See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**§ 1517.1. Alternative Energy Capital Investment Program.**

**(a) Establishment.**--The department is authorized to establish a competitive grant program to implement capital improvements deemed necessary to support conversion of a local transportation organization's fleet for use of an alternative energy source, including compressed natural gas.

**(b) Criteria.**--The department shall establish criteria for awarding grants under this section. Criteria shall, at a minimum, include feasibility, cost/benefit analysis and project readiness.

**(c) Additional authorization.**--Notwithstanding any other provisions of this section or other law, the department may use funds designated for the program established under subsection (a) to supplement a local transportation organization's base operating allocation under section 1513 (relating to operating program) if necessary to stabilize an operating budget and ensure that efficient services may be sustained to support economic development and job creation and retention.

(Nov. 25, 2013, P.L.974, No.89, eff. imd.)

**2013 Amendment.** Act 89 added section 1517.1. See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**Cross References.** Section 1517.1 is referred to in sections 1503, 1506 of this title.

**§ 1518. Program oversight and administration.**

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

**Cross References.** Section 1518 is referred to in section 1516 of this title.

**§ 1519. Retroactive authority.**

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

**(b) Capital projects.**--

(1) For capital projects, the applicant must obtain written approval from the department prior to incurring any expenses for which the applicant may later seek reimbursement.

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

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

**§ 1520. Evaluation of private investment opportunities.**

**(a) Study.**--A local transportation organization receiving funding in an amount greater than \$5,000,000 annually under this chapter shall undertake a study to evaluate the feasibility of utilizing partnerships with private service providers and financial partners as a method to operate and finance new or existing services. Within one year following the effective date of this section, each local transportation organization required to evaluate private participation under this section shall submit a report to the secretary and the majority chairperson and minority chairperson of the Transportation Committee of the Senate and the majority chairperson and minority chairperson of the Transportation Committee of the House of Representatives.

**(b) Report.**--The report shall, at a minimum, include the results of the evaluation, a determination of the viability of greater private partnering and any recommendations about how to achieve greater participation from the private sector.

**(c) Preclusion.**--Nothing in this section shall preclude a local transportation organization receiving less than \$5,000,000 annually under this chapter from making an evaluation of greater private involvement in their operations.

CHAPTER 21  
MULTIMODAL FUND

**Sec.**

- 2101. Definitions.
- 2102. Multimodal Transportation Fund.
- 2103. Transfers and deposits to fund.
- 2104. Use of money in fund.
- 2105. Project selection criteria.
- 2106. Local match.
- 2107. Balanced Multimodal Transportation Policy Commission.

**Enactment.** Chapter 21 was added November 25, 2013, P.L.974, No.89, effective immediately.

**Special Provisions in Appendix.** See the preamble to Act 89 in the appendix to this title for special provisions relating to legislative findings and declarations.

**§ 2101. Definitions.**

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

**"Eligible program."** Any of the following:

- (1) A project which coordinates local land use with transportation assets to enhance existing communities.
- (2) A project related to streetscape, lighting, sidewalk enhancement and pedestrian safety.
- (3) A project improving connectivity or utilization of existing transportation assets.
- (4) A project related to transit-oriented development, as defined in section 103 of the act of December 8, 2004 (P.L.1801, No.238), known as the Transit Revitalization Investment District Act.

"Fund." The Multimodal Transportation Fund established in section 2102 (relating to Multimodal Transportation Fund).

**Cross References.** Section 2102 is referred to in section 2101 of this title.

**§ 2102. Multimodal Transportation Fund.**

A special fund is established within the State Treasury to be known as the Multimodal Transportation Fund. Moneys in the fund are hereby appropriated to the Department of Transportation on a nonlapsing basis.

**Cross References.** Section 2102 is referred to in section 2101 of this title.

**§ 2103. Transfers and deposits to fund.**

In addition to appropriations, deposits or transfers to the fund, interest earned on money in the fund shall be deposited in the fund.

**§ 2104. Use of money in fund.**

**(a) Purposes.**--Money in the fund shall be used as follows:

(1) To annually provide the following grants for programs administered by the Department of Transportation:

(i) For programs related to aviation:

(A) \$5,000,000 in fiscal year 2013-2014.

(B) \$6,000,000 in fiscal year 2014-2015 and each fiscal year thereafter.

(ii) For programs related to rail freight:

(A) \$8,000,000 in fiscal year 2013-2014.

(B) \$10,000,000 in fiscal year 2014-2015 and each fiscal year thereafter.

(iii) For programs related to passenger rail:

(A) \$6,000,000 in fiscal year 2013-2014.

(B) \$8,000,000 in fiscal year 2014-2015 and each fiscal year thereafter.

(iv) For programs related to ports and waterways:

(A) \$8,000,000 in fiscal year 2013-2014.

(B) \$10,000,000 in fiscal year 2014-2015 and each fiscal year thereafter.

(v) \$2,000,000 for programs related to bicycle and pedestrian facilities.

(2) To annually pay costs incurred by the department for activities directly initiated or undertaken by the department related to eligible programs in accordance with all of the following:

(i) Activities shall be initiated or undertaken in consultation with the chairman and minority chairman of the Transportation Committee of the Senate and the chairman and minority chairman of the Transportation Committee of the House of Representatives.

(ii) Costs may be incurred as follows:

(A) \$0 for fiscal year 2013-2014.

(B) Not to exceed \$20,000,000 for fiscal year 2014-2015.

(C) Not to exceed \$40,000,000 annually in fiscal year 2015-2016 and each fiscal year thereafter, \$35,000,000 of which shall be from revenues deposited into the fund under 75 Pa.C.S. § 9502(a) (relating to imposition of tax).

(3) To annually pay costs incurred by the department in the administration of the programs specified in paragraph (1) as appropriated by the General Assembly.

(4) Annually, any money not allocated under paragraphs (1), (2) and (3) or as provided in subsection (b) shall be transferred to the Commonwealth Financing Authority and used to fund eligible programs. The authority shall develop guidelines for use of the money for eligible programs, which shall include the requirements of section 2106 (relating to local match).

**(b) Automatic adjustments.--**

(1) For the initial adjustment, the department shall do all of the following:

(i) Determine the percentage increase in the Consumer Price Index for All Urban Consumers for the period beginning August 1, 2013, and ending January 31, 2015.



(ii) Apply, as of July 1, 2015, the increase under subparagraph (i) to every grant amount under subsection (a)(1).

(2) For subsequent adjustments, the department shall do all of the following:

(i) Determine the percentage increase in the Consumer Price Index for All Urban Consumers for the period beginning February 1, 2015, and ending January 31, 2017, and for each succeeding 24-month period.

(ii) Apply, as of July 1, 2017, the increase under subparagraph (i) to the then current grant amount under subsection (a)(1).

**Special Provisions in Appendix.** See section 47 of Act 89 of 2013 in the appendix to this title for special provisions relating to costs incurred by department.

**Cross References.** Section 2104 is referred to in sections 2105, 2106 of this title.

**§ 2105. Project selection criteria.**

The Department of Transportation shall award grants under section 2104(a)(1) (relating to use of money in fund) on a competitive basis. The department may not reserve, designate or set aside a specific level of funding or percentage of funds to an applicant prior to the completion of the application process, nor may the department designate a set percentage of funds to an applicant.

**§ 2106. Local match.**

Unless otherwise specified by law, financial assistance under section 2104(a)(2) and (4) (relating to use of money in fund) shall be matched by local funding in an amount not less than 30% of the non-Federal share of the project costs. Matching funds from a county or municipality shall only consist of cash contributions provided by one or more counties or municipalities.

**Cross References.** Section 2106 is referred to in section 2104 of this title.

**§ 2107. Balanced Multimodal Transportation Policy Commission.**

**(a) Commission.**--There is established a Balanced Multimodal Transportation Policy Commission to study and make recommendations on developing and maintaining a balanced multimodal transportation policy for this Commonwealth.

**(b) Members.**--The commission shall consist of the following members:

(1) The Secretary of Transportation.

(2) The Secretary of Community and Economic Development.

(3) The Secretary of Environmental Protection.

(4) One appointment from each of the following:

(i) the President pro tempore of the Senate;

(ii) the Minority Leader of the Senate;

(iii) the Speaker of the House of Representatives; and

(iv) the Minority Leader of the House of Representatives.

(5) Two appointments from the Governor, at least one of which must have expertise in regional planning.

(6) Six additional members may be appointed by the commission members under paragraphs (1), (2), (3), (4) and (5).

**(c) Chairperson.**--The members of the commission under paragraphs (1), (2), (3), (4) and (5) shall elect a chairperson from among the members.

**(d) Terms.**--Members of the commission may serve on the commission until replaced by an appointing authority under subsection (b).

**(e) Study.**--The commission shall study facets on implementing balanced multimodal transportation policies for metropolitan areas in this Commonwealth, which shall include at least the cities of the first class and second class, but may include other regions as well.

**(f) Staff.**--Upon recommendation of the commission, the Secretary of Transportation may hire independent consultants to aid the work of the commission. The commission shall be staffed by employees of the Department of Transportation. Ordinary expenses shall be paid to members of the commission.

**(g) Report.**--No later than two years after the effective date of this section, the commission shall issue its initial report to the Governor and members of the General Assembly and a report every four years thereafter.

(Dec. 3, 2002, P.L.1147, No.142, eff. imd.)

**2002 Amendment.** Act 142 added section 3742.

**References in Text.** Section 1301 of Title 74, referred to in subsec. (a), is repealed.