

## No. 1980-101

## AN ACT

## SB 881

Amending the act of January 22, 1968 (P.L.42, No.8), entitled "An act empowering and authorizing the Department of Community Affairs to establish and administer certain grant programs for the betterment of mass transportation systems and facilities throughout the Commonwealth; providing for State grants to transportation companies, municipalities, counties, or their instrumentalities and to agencies and instrumentalities of the Commonwealth for studies, research, demonstration programs, promotion programs, purchase of service projects, and capital improvement projects under certain conditions; authorizing grants by counties or municipalities in metropolitan areas to local transportation organizations," adding and further providing for definitions and program authorizations, making an editorial change, further providing for project grants, further providing for intergovernmental cooperation, providing for State subsidies, authorizing the creation of a transportation authority to function in each metropolitan area consisting of any county of the first class and all nearby counties within a radius of twenty miles of any such first class county, as a body corporate and politic for the purpose of establishing an integrated mass transportation system with all pertinent powers including, but not limited to, leasing, acquiring, owning, operating and maintaining a system for, or otherwise providing for, the transportation of persons, authorizing the borrowing of money and issuance of bonds therefor, conferring the right of eminent domain on the authority; altering the jurisdiction of the Public Utility Commission, authorizing the acceptance of grants from Federal, State and local governments, limiting actions against the authority and exempting it from taxation, authorizing counties and municipalities to enter into compacts for the financing of each authority and to make appropriations in accordance with such compacts, creating a citizen advisory committee conferring exclusive jurisdiction upon certain courts with respect to matters relating to such authority, empowering each authority to function outside of the metropolitan area under certain terms and conditions, imposing a requirement to submit a reorganization plan, providing sanctions for failure to submit a reorganization plan and making appropriations, and making certain transfers and repeals.

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

Section 1. The title, act of January 22, 1968 (P.L.42, No.8), known as the "Pennsylvania Urban Mass Transportation Assistance Law of 1967," is amended to read:

## AN ACT

Empowering and authorizing the Department of [Community Affairs] *Transportation* to establish and administer certain grant programs for the betterment of mass transportation systems and facilities throughout the Commonwealth; providing for State grants to transportation companies, municipalities, counties, or their instrumentalities and to agencies and instrumentalities of the Commonwealth for studies, research, demonstration programs, promotion programs,

purchase of service projects, and capital improvement projects under certain conditions; authorizing grants by counties or municipalities in metropolitan areas to local transportation organizations, *authorizing the creation of a transportation authority to function in each metropolitan area consisting of any county of the first class and all nearby counties within a radius of twenty miles of any such first class county, as a body corporate and politic for the purpose of establishing an integrated mass transportation system with all pertinent powers including, but not limited to, leasing, acquiring, owning, operating and maintaining a system for, or otherwise providing for, the transportation of persons, authorizing the borrowing of money and issuance of bonds therefor, conferring the right of eminent domain on the authority; altering the jurisdiction of the Public Utility Commission, authorizing the acceptance of grants from Federal, State and local governments, limiting actions against the authority and exempting it from taxation, authorizing counties and municipalities to enter into compacts for the financing of each authority and to make appropriations in accordance with such compacts, creating a citizen advisory committee, conferring exclusive jurisdiction upon certain courts with respect to matters relating to such authority, empowering each authority to function outside of the metropolitan area under certain terms and conditions.* Section 2. Sections 1 through 12 of the act are repealed. Section 3. The act is amended by adding articles to read:

#### **ARTICLE I PRELIMINARY PROVISIONS**

*Section 101. Short Title.—This act shall be known and may be cited as the “Pennsylvania Urban Mass Transportation Law.”*

#### **ARTICLE II URBAN MASS TRANSPORTATION ASSISTANCE**

*Section 201. Findings and Declaration of Policy.—(a) It is hereby determined and declared as a matter of legislative finding:*

*(1) That the welfare and vitality of urban areas in the Commonwealth, the satisfactory movement of people and goods within such areas, and the effectiveness of housing, urban renewal, highway, industrial development, and other programs are being jeopardized by the deterioration or inadequate provision of urban common carrier mass transportation facilities and services, the intensification of traffic congestion, and the lack of coordinated transportation and other development planning on a comprehensive and continuing basis.*

*(2) That State financial assistance for the development of efficient and coordinated urban common carrier mass transportation systems, facilities and services is essential to the solution of these urban problems.*

**(3) That efficient and coordinated urban common carrier mass transportation systems, facilities and services will promote the public health, safety, convenience and welfare.**

**(b) Therefor, it is hereby declared to be the policy of the General Assembly of the Commonwealth of Pennsylvania to promote the health, safety, convenience and welfare of its inhabitants through the department by means of State financial assistance for the development of efficient and coordinated urban common carrier mass transportation systems, facilities and services and to provide free or reduced transit service for the elderly. Such purposes are hereby declared to be public uses for which State moneys may be spent.**

**Section 202. Definitions.—The following terms, whenever used or referred to in this article, shall have the following meanings, except in those instances where the context clearly indicates a different meaning:**

**“Average fare” shall be defined as total passenger revenue divided by the total linked passenger trips excluding trips by senior citizens participating in the free transit program for senior citizens.**

**“Capital project” shall mean and include any system of public passenger or public passenger and rail transportation, including but not limited to any railway, street railway, subway, elevated and monorail passenger or passenger and rail rolling stock, including self-propelled and gallery cars, locomotives, passenger buses and wires, poles and equipment for the electrification of any of the foregoing, rails, tracks, roadbeds, guideways, elevated structures, buildings, stations, terminals, docks, shelters, airports and parking areas for use in connection with public passenger or public passenger and rail transportation systems, interconnecting lines and tunnels to provide passenger or passenger and rail service connections between transportation systems, transportation routes, corridors, and rights-of-way for any thereof (but not for public highways), signal and communication systems necessary or desirable for the construction, operation or improvement of the public passenger or passenger and rail transportation system involved, or any improvement of or equipment or furnishings for any of the foregoing or any part, or fractional and undivided co-ownership interest in any one or combination of any of the foregoing, that may be designated as a capital project by the secretary.**

**“Construction” shall mean and include acquisition and construction and the term “to construct” shall mean and include to acquire and to construct, all in such manner as may be deemed desirable.**

**“Counties” shall include any county.**

**“County transportation system” shall mean and include buses, vans or other transit vehicles purchased, maintained and operated by any county and used to provide free or reduced rate transportation within the county to persons sixty-five years of age or older.**

**“Department” shall mean the Department of Transportation.**

***“Equipment” and “furnishings” shall mean and include any equipment and furnishings whatsoever as may be deemed desirable and required for a capital project and approved by the department for the use and occupancy of such capital project, and the terms “to equip” or “to furnish” shall mean and include the installation of such equipment and furnishings.***

***“Federal agency” shall mean and include the United States of America, the President of the United States of America, and any department of, or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America.***

***“Fixed route public transportation services” shall include regularly scheduled transportation that is available to the general public, and is provided according to published schedules along designated published routes with specified stopping points for the taking on and discharging of passengers. (Eligible services include public bus and commuter rail systems.) Excluded from this definition are exclusive ride taxi service; charter or sightseeing services; nonpublic transportation; school bus or limousine services.***

***“Improvement” shall mean and include extension, enlargement, equipping, furnishing and improvement, and the term “to improve” shall mean and include to extend, to enlarge, to equip, to furnish and to improve, all in such manner as may be deemed desirable.***

***“Linked passenger trips” shall mean and include transit trips taken by initially boarding (originating) patrons paying a full fare, any reduced fare or no fare (free fare) but shall not mean and shall exclude all transfer rides and all charter rides.***

***“Local transportation organization” shall mean any political subdivision or any mass transportation, port, redevelopment or airport authority now or hereafter organized under the law of Pennsylvania 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 the Commonwealth of Pennsylvania, even though it may also render or assist in rendering transportation service in adjacent states.***

***“Municipalities” shall include any city, borough, township, incorporated town or town.***

***“Person” shall mean and include natural persons, firms, associations, corporations, business trusts, partnerships and public bodies, including local transportation organizations.***

***“Project grant” shall mean and include the Commonwealth’s share of the cost of carrying out the particular project, which cost may include costs incurred prior to the effective date of this article and which cost shall include an appropriate allowance for the administrative expenses involved in carrying out the project.***

***“Property” shall mean all property, real, personal or mixed, tangible or intangible or any interest therein including fractional and undivided co-ownership interests.***

**“Public highway” shall mean every way or place, of whatever nature, open to the use of the public as a matter of right, for purposes of vehicular travel. The term “public highway” solely for the purpose of administering this article shall not be deemed to include a bridge located wholly within this Commonwealth which is open to the use of the public for the purpose of vehicular traffic but which on March 15, 1964 was owned and maintained by a mass transportation or port authority and which comprises a part of the transportation system of the mass transportation or port authority.**

**“Secretary” shall mean the Secretary of Transportation.**

**“Shared ride public transportation services” shall include demand responsive transportation that is available to the general public, operates on a nonfixed route basis and charges a fare to all riders. For transportation to be included in this definition the first fare paying passengers to enter the public transportation vehicle must not refuse to share the vehicle with other passengers during a given trip. Services excluded under this definition are: exclusive ride taxi service; charter and sightseeing services; nonpublic transportation; school bus or limousine services.**

**“Transit vehicle” shall mean a self-propelled or electrically propelled vehicle designed for carrying fifteen or more passengers, exclusive of the driver, other than a taxicab, designed and used for the transportation of persons for compensation including, but not limited to, subway cars, trolleys, trackless trolleys and railroad passenger cars.**

**“Transportation company” shall mean and include any person, firm or corporation rendering public passenger or public passenger and rail transportation service, with or without the rendering of other service, in this State pursuant to common carrier authorization from the Pennsylvania Public Utility Commission or the Interstate Commerce Commission.**

**“Urban common carrier mass transportation” shall include transportation within an area that includes a municipality or other built-up place which is appropriate, in the judgment of the department, for a common carrier transportation system to serve commuters or others in the locality, taking into consideration the local patterns and trends of urban growth, by bus or rail or other conveyance, either publicly or privately owned, serving the general public (but not including school buses or charter or sightseeing service).**

**Section 203. Program Authorizations.—The department is hereby authorized, within the limitations hereinafter provided and is required where the provisions of section 204 apply:**

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

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

*(i) For the purpose of studies, analysis, planning and development of programs for urban common carrier mass transportation service and facilities, and for the purpose of activities related to the planning, engineering, and designing of specific projects which are a part of a comprehensive program including but not limited to activities such as studies related to management, operations, capital requirements, and economic feasibility, to the preparation of engineering and architectural surveys, plans, and specifications, and to other similar or related activities preliminary to and in preparation for the construction, acquisition, or improved operation of urban common carrier mass transportation systems, facilities, and equipment. State funding under this subparagraph shall not exceed eighty percent or one-half of the non-Federal share of the project costs, whichever is less.*

*(ii) To provide for research, development and demonstration projects in all phases of urban common carrier mass transportation (including the development, testing and demonstration of new facilities, equipment, techniques and methods) to assist in the solution of urban transportation problems, in the improvement of mass transportation service, and the contribution of such service toward meeting total urban transportation needs at minimum cost. State funding under this subparagraph shall not exceed eighty percent or one-half of the non-Federal share of the project costs, whichever is less.*

*(iii) To assist in financing purchase of service projects designed to continue necessary service to the public, to permit needed improvements in service which are not self-supporting, and to permit service which may be socially desirable but economically unjustified. Each project and project grant shall be subject to an annual review and renewal. State funding under this subparagraph shall not exceed three-fourths of the non-Federal share of project costs as defined by the department which cannot, as determined by the department, reasonably be financed from revenues. Local or private funding shall equal at least one-fourth of the non-Federal share of the project deficit, as defined by the department. The methodology for calculating the eligible deficit of applicants under this subparagraph shall be determined in accordance with section 204. Each purchase of service project grant shall be based on a program or plan approved by the department and determined by the department to be in the public interest and to be in furtherance of a coordinated mass transportation plan for the area. No State grant shall be made for a particular purchase of service project that the department determines will involve unnecessary and unfair competition and no State grant shall be made for a particular purchase of service project unless the department determines and finds for said project that:*

*(A) the purchase of the service project is necessary;*

*(B) the mass transportation carrier is taking or will take continuing action to improve the service and hold losses to a minimum.*

**(3) To make project grants to any transportation company or companies to supplement Federal, private or local or Federal and private or local funds for use in financing purchase of service projects designed to continue necessary service to the public, to permit needed improvements in services which are not self-supporting, and to permit services which may be socially desirable but economically unjustified. In view of the particular sensitivity of special instrumentalities and agencies of the Commonwealth created to serve or coordinate the local transportation needs of substantial metropolitan areas, no project for use exclusively or principally in the local service area of any such agency or instrumentality in which a city or county of the first or second class has membership, shall receive a project grant except in accordance with a system of priorities agreed upon by the department and such agency or instrumentality. In the case of a project grant for a project to be operated exclusively or principally within the local service areas of such agency or instrumentality no project grant shall be made except in accordance with agreements by the department and such agency or instrumentality with respect to such use. In the case of a project not falling within the scope of the preceding sentence but covering use both within and without the local service area of such agency or instrumentality, the project grant shall require that the routes, schedules, and fares applicable only within such service areas shall be those mutually agreed upon by the department and such agency or instrumentality. No agreement referred to in this paragraph shall impair, suspend, reduce, enlarge or extend or affect in any manner the powers of the Pennsylvania Public Utility Commission or the Interstate Commerce Commission otherwise applicable by law. State funding under this paragraph shall not exceed three-fourths of the non-Federal share of project costs as defined by the department which cannot, as determined by the department, reasonably be financed from revenues. Local or private funding shall equal at least one-fourth of the non-Federal share of the project deficit, as defined by the department. The methodology for calculating the eligible deficit of applicants under this paragraph shall be determined in accordance with section 204. Each purchase of service project grant shall be based upon a program or plan approved by the department and determined by the department to be in the public interest, to be in furtherance of a coordinated mass transportation plan for the area, and not to involve unnecessary and unfair competition. No State grant shall be made for a particular purchase of service project unless the department determines and finds for said project that:**

**(i) the purchase of service project is necessary in the public interest; and**

**(ii) the mass transportation carrier is taking or will take continuing action to improve the service and hold losses to a minimum.**

**(4) In connection with privately or locally assisted capital projects or capital projects financed with private or local and Federal funds, to**

*make grants for approved capital projects to a local transportation organization or a transportation company, including the acquisition, construction, reconstruction, and improvement of facilities and equipment, buses and other rolling stock, and other real or personal property, including land (but not public highways), needed for an efficient and coordinated mass transportation system for use, by operation, lease or otherwise, in urban common carrier mass transportation service and in coordinating such service with highway and other transportation. No capital project grant shall be made for the purpose of financing, directly or indirectly, the acquisition of any interest in, or the purchase of any facilities or other property of, a private urban common carrier mass transportation company. Each capital project shall be based on a program or plan approved by the department. No capital project grant shall exceed one-sixth of the "net project cost," subject, however, to the following specific exceptions:*

*(i) If two or more capital projects are combined for financing purposes, the amount of department funds used for any one of such projects may exceed one-sixth of the "net project cost" provided that the total amount of department funds provided for all the projects so combined does not exceed one-sixth of the total "net project costs" of all of the projects so combined.*

*(ii) If a capital project is eligible to receive Federal financial assistance under the Federal Urban Mass Transportation Act of 1964, as amended, and if the project application for such Federal financial assistance has been rejected or delayed because of a lack of Federal funds or if the normal amount of Federal grant cannot be provided because of a lack of Federal funds, and if the department has determined that the capital project is essential and should proceed without delay, department funds for such capital project may be increased temporarily to an amount not to exceed five-sixths of the "net project cost" so long as the funds provided from local sources shall equal at least one-sixth of the "net project cost," with the requirement that upon the availability of additional Federal funds and the making to the capital project of a new or an additional Federal grant, the amount of department funds in excess of one-sixth of the "net project cost" be refunded to the department or be applied as the department may direct to help meet the department's share of the cost of another project, in which the department is a participant.*

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

*(5) To make grants from the State Lottery Fund to transportation companies, county transportation systems and local transportation organizations to pay estimated transit losses resulting from providing:*



*(i) Free service or local common carrier mass transportation systems to persons sixty-five years or older when such passage is on fixed route public transportation services during nonpeak riding hours and on holidays and weekends. The losses resulting from granting service on mass transportation systems shall be reimbursable at seventy-five percent of such system's average fare multiplied by the number of trips made by senior citizens participating in such free transit program. Transit systems that currently receive a program reimbursement based upon a percentage of average fare greater than seventy-five percent shall receive their current amount of senior citizen program reimbursement until such time as the amount of reimbursement for these systems equals seventy-five percent of the average fare times the number of senior citizens trips: Provided, however, That reimbursement for the fiscal year 1980-1981 shall be calculated using the average fares as of January 1, 1980.*

*(ii) Free or reduced fare on shared ride county transportation systems for persons sixty-five years or older:*

*(A) In case of free service on such county systems, the county shall be reimbursed at seventy-five percent of the cost incurred or to be incurred in operating and maintaining such system, with the remainder of any such cost being paid by the county.*

*(B) In case of reduced fare services on such county systems, the county shall be reimbursed at the same rate and under the same conditions as provided in subparagraph (iii).*

*(iii) Reduced fare services on local common carrier mass transportation systems to persons sixty-five years of age or older when such passage is on shared ride public or contract transportation services during regular hours of operation. On shared public transportation, losses are reimbursable only if the elderly person pays 25¢ or twenty-five percent of the cost of the individual fare, whichever is greater.*

*(iv) In no case shall the reimbursements for each succeeding year exceed the prior year's reimbursements increased by a percentage equal to the percentage increase in granting costs for all local transportation organizations, county transportation systems and transportation companies for the most recently completed State fiscal year as compared to the fiscal year immediately preceding such year.*

*(v) The department shall promulgate such rules and regulations as are necessary to carry out the purposes of this subparagraph. In accordance with section 2203-A(27) of the act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of 1929," no such regulation shall take effect until they are submitted to the Department of Aging for comment.*

**Section 204. Annual Appropriation, Computation of Subsidy.—**

*(a) The Commonwealth shall annually determine the level of appropriation for urban common carrier mass transportation assistance, using the standards contained in this section, to sufficiently fund and to make fully operative section 203(2)(iii) and (3).*

**(b) The General Assembly shall annually appropriate to the department for distribution an amount based upon the individual projected subsidies of the local transportation organizations or transportation companies participating in the program. Each local transportation organization and transportation company shall be entitled to receive a State subsidy of at least two-thirds but not more than three-quarters of its constrained deficit: Provided, however, That if amount of moneys actually appropriated by the General Assembly is greater or lesser than the lump sum appropriation request, the individual calculated grants shall be prorated among all recipients in accordance with the provisions of this article using a ratio determined by applying the actual lump sum appropriation to the lump sum appropriation request.**

**(c) The constrained deficit shall be an amount equal to eligible operating costs reduced by assumed revenues and Federal operating subsidies. For purposes of this subsection:**

**(1) Eligible operating costs for the budget year shall not exceed the prior year's operating costs for the same level of service increased by a percentage equal to the percentage increase in operating costs for all local transportation organizations and transportation companies for the most recently completed State fiscal year as compared to the fiscal year immediately preceding such year plus fifteen percent of such increase.**

**(2) (i) Assumed revenues shall be a percentage of eligible operating costs as determined by reference to the following table:**

<b>FISCAL YEAR</b>	<b>(A)</b>	<b>(B)</b>
<b>1980-81</b>	<b>48%</b>	<b>38%</b>
<b>1981-82</b>	<b>48%</b>	<b>38%</b>
<b>1982-83</b>	<b>46%</b>	<b>36%</b>
<b>1983-84</b>	<b>44%</b>	<b>34%</b>
<b>1984-85</b>	<b>42%</b>	<b>32%</b>

**(ii) Column (A) is to be used for local transportation organizations or transportation companies operating more than twenty transit vehicles in the peak period and column (B) is to be used for local transportation organizations or transportation companies operating twenty or fewer transit vehicles in the peak period.**

**(iii) In any case where a local transportation organization or transportation company increases or decreases the number of transit vehicles operating during the peak period so as to move from column (B) to column (A) or from column (A) to column (B) the department may make appropriate adjustments regarding assumed revenues during a reasonable period following such increase or decrease.**

**(3) Federal operating subsidies shall mean the total operating assistance funds in the budget year which the eligible grantee actually receives under the Federal Urban Mass Transportation Act of 1964, Public Law 88-365 (49 U.S.C. § 1601, et seq.) or any other Federal law.**

*(d) The basic subsidy for which each local transportation organization or transportation company shall be entitled shall be equal to sixty-six and two-thirds percent of its constrained deficit.*

*(e) Each local transportation organization or transportation company shall receive, in addition to the basic subsidy, an incentive grant subsidy of up to eight and one-third percent of its constrained deficit based upon a finding that the local transportation organization or transportation company for the most recently completed State fiscal year as compared to the fiscal year immediately preceding such year has met or exceeded the following performance factors. Each factor which a local transportation organization or transportation company meets shall result in an additional increase in State funding of its constrained deficit. The factors to be considered by the department in awarding incentive grant subsidies are as follows:*

*(1) A decrease of no more than two percentage points in the system's revenue/cost ratio from the previous fiscal year.*

*(2) Higher ridership per vehicle hour in the system than in the previous fiscal year.*

*(3) Higher operating revenue per vehicle hour in the system than in previous fiscal year.*

*(4) Lower operating costs per vehicle hour in the system (adjusted for inflation) than in the previous fiscal year.*

*(f) Notwithstanding any other provision of this section, no local transportation organization or transportation company shall be entitled to receive an amount with respect to any fiscal year greater than seventy-five percent of its actual operating costs less actual revenues and Federal subsidies for that fiscal year.*

*(g) A local transportation organization or transportation company may at its option submit an application for project grants covering modes or operating subsidiaries on an individual basis or on a collective basis.*

*(h) Recipients of funds under this section shall submit to the department between August 15 and September 15 of each calendar year a proposed budget for the budget year beginning July 1 together with budget projections for four succeeding budget years. Budget proposals, based upon information submitted by individual recipients, shall appear as line items in the department's budget request: Provided, however, That the department budget request for funds under this section shall be made as a lump sum appropriation request which shall be the total of such line items.*

*(i) Local transportation organizations and transportation companies shall be prepared to appear individually before the appropriation committees of the Senate and the House of Representatives to justify budget requests.*

*Section 205. Grant Proposals.—(a) Grants may be made hereunder with reference to any appropriate project irrespective of when it was first commenced or considered and regardless of whether costs*

*with respect thereto shall have been incurred prior to the time the grant is applied for or made.*

*(b) The governing bodies of municipalities, counties or their instrumentalities, and agencies and instrumentalities of the Commonwealth may, by formal resolution, apply and transportation companies by application may apply to the department for State grant funds provided by this article. If such action is taken by any such governing body, a certified copy of the resolution and in the case of transportation companies, an application shall be forwarded to the department with a proposal of the governing body or company, which shall set forth the use to be made of State grant funds and the amount of funds required.*

*(c) The department shall give preference to any proposal which will assist in carrying out a plan, meeting criteria established by the department, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, which is necessary for the sound, economic and desirable development of such area, and which shall encourage to the maximum extent feasible the participation of private enterprise.*

*(d) The use of the State grant funds shall be for the purposes set forth in section 203, and without limiting the generality of the foregoing, may be used for local contributions required by the Federal Urban Mass Transportation Act of 1964, as amended, or other Federal law concerning common carrier mass transportation.*

*(e) The department shall review the proposal and, if satisfied that the proposal is in accordance with the purposes of this article, shall enter into a grant agreement subject to the condition that the grant be used in accordance with the terms of the proposal.*

*(f) The time of payment of the grant and any conditions concerning such payment shall be set forth in the grant agreement.*

**Section 206. Rules and Regulations of the Department.**—*In order to effectuate and enforce the provisions of this article, the department is authorized to promulgate necessary rules and regulations and prescribe conditions and procedures in order to assure compliance in carrying out the purposes for which grants may be made hereunder.*

**Section 207. Cooperation with Other Governments and Private Interests.**—*(a) The department is directed to administer this program with such flexibility as to permit full cooperation between Federal, State and local governments, agencies and instrumentalities, as well as private interests, so as to result in as effective and economical a program as possible.*

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

*(c) It is the purpose and intent of this article to authorize the department to do any and all other things necessary or desirable to secure the financial aid or cooperation of any Federal agency in any of the department's projects, and to do and perform all things which may be required by any statute of the United States of America or by the lawful requirements of any Federal agency authorized to administer any program of Federal aid to transportation.*

*Section 208. Grants by Counties or Municipalities.—Any county or municipality in any metropolitan area which is a member of a local transportation organization shall be and it is hereby authorized to make annual grants from current revenues to such local transportation organization to assist in defraying the costs of operations, maintenance and debt service of such local transportation organization or of a particular mass transportation project of such local transportation organization and to enter into long-term agreements providing for the payment of the same. The obligation of a municipality or county under any such agreement shall not be considered to be a part of its indebtedness, nor shall such obligation be deemed to impair the status of any indebtedness of such municipality or county which would otherwise be considered as self-sustaining.*

*Section 209. Limitation on Decisions, Findings and Regulations Made by the Secretary.—All decisions, findings and regulations made by the secretary pursuant to this article shall be for the purposes of this article only and shall not constitute evidence before any regulatory body of this Commonwealth or any other jurisdiction.*

### ARTICLE III

#### METROPOLITAN TRANSPORTATION AUTHORITIES

*Section 301. Legislative Finding; Declaration of Policy.—(a) It is hereby determined and declared as a matter of legislative finding:*

*(1) That there exists in the urban and suburban communities in metropolitan areas, traffic congestion and serious mass transportation problems because of underdeveloped, uncoordinated obsolete mass transportation facilities resulting in inadequate or overcrowded high cost conditions on our highways and existing mass transportation facilities.*

*(2) That such conditions or a combination of some or all of them have made and will continue to result in making such communities economic and social liabilities, harmful to the social and economic well-being of the entire area, depreciating values therein, reducing the tax revenues, making the metropolitan areas and their constituent communities less desirable areas in which to live and work and thereby depreciating further the general community-wide values.*

*(3) That the foregoing conditions cannot be effectively dealt with by private enterprise under existing law without the additional aids herein granted and are beyond remedy or control by governmental regulatory processes.*

(4) *That the sound replanning and redevelopment of metropolitan mass transportation facilities in accordance with sound and approved plans for their promotion, development and growth will promote the public health, safety, convenience and welfare and that the public acquisition of existing mass transportation facilities in accordance with the said sound plans for their redevelopment and promotion will promote the public health, safety, convenience and welfare.*

(5) *That the well-being and economic health of the counties and other communities in the metropolitan areas require integrated systems of mass passenger transportation.*

(6) *That it is desirable that the public transportation systems in the metropolitan areas be combined, improved, extended and supplemented by the creation of authorities as herein provided.*

(7) *That the establishment of metropolitan transportation authorities will promote the public safety, convenience and welfare.*

(8) *That it is intended that such authorities cooperate with and/or acquire existing transportation facilities that private enterprise and government may mutually provide adequate transit facilities for the convenience of the public.*

(9) *That it is intended that any authority created hereunder will cooperate with all municipalities and other public bodies in whose territories it operates so that the mass passenger transportation system may best serve the interests of the residents thereof.*

(b) *Therefore, it is hereby declared to be the policy of the Commonwealth of Pennsylvania to promote the safety and welfare of the inhabitants thereof by authorizing the creation of a body corporate and politic for each metropolitan area, to be known as the Transportation Authority of such area, which shall exist and operate for the purposes contained in this article. Such purposes are hereby declared to be public uses for which public money may be spent and private property may be acquired by the exercise of the power of eminent domain.*

*Section 302. Definitions.—(a) The following terms, whenever used or referred to in this article, shall have the following meanings, except in those instances where the context clearly indicates otherwise:*

*“Authority” shall mean any body corporate and politic created pursuant to this article.*

*“Board” shall mean the governing and policymaking body of an authority.*

*“Commonwealth” shall mean the Commonwealth of Pennsylvania.*

*“Comprehensive transit plan” shall mean a comprehensive statement, consisting of maps, charts and textual matter, of the authority’s policies, strategies and objectives for the development of the transit system consistent with the legislative findings and declared policy of this article and the rights, powers and duties of the authority.*

*“County commissioners” shall mean the members of the board of county commissioners in each of the counties in the metropolitan area, except counties of the first class.*

***“Federal agency” shall mean and include the United States of America, the President of the United States and any department or corporation, agency or instrumentality, heretofore or hereafter created, designated or established by the United States of America.***

***“Governor” means the Governor of the Commonwealth of Pennsylvania.***

***“Legislative body” shall mean, in counties of the first class, the city council; in the other counties the board of county commissioners or the county council; and in the other municipalities, that body authorized by law to enact ordinances.***

***“Majority” shall mean any whole number constituting more than half of the total number, e.g., a majority of five equals three or more; a majority of six equals four or more.***

***“Mayor” shall mean the chief executive officer of any first class city in any first class county.***

***“Metropolitan area” shall mean all of the territory within the boundaries of any county of the first class and all other counties located in whole or in part within twenty miles of such first class county.***

***“Municipality” means any city, county, borough or township of the first or second class within any metropolitan area.***

***“Persons” shall mean and include corporations, associations and other legal entities, as well as natural persons.***

***“Project” shall mean any structure, facility or undertaking which an authority is authorized to acquire, construct, improve, lease, maintain, operate, contract for, or otherwise function with respect to, under the provisions of this article.***

***“Transit vehicle” means every vehicle which is self-propelled or which is propelled by electric power.***

***“Transportation system” shall mean all property, real and personal, useful for the transportation of passengers for hire, including but not limited to power plants, substations, terminals, garages, bridges, tunnels, subways, elevated lines, monorails, railroad motive power, trains, railroad passenger cars and equipment, belt conveyors, inclines, car barns, street cars, buses, rails, lines, poles, wires, stations, off-street parking facilities rights-of-way, as well as the franchises, rights and licenses therefor, including rights to provide group and party services: Provided, That such term shall not include taxicabs.***

***(b) Words importing the singular shall include the plural; the masculine shall include the feminine and vice versa.***

***Section 303. Creation of Transportation Authorities; Rights and Powers.—(a) There is hereby authorized the creation of a separate body corporate and politic in each metropolitan area, to be known as the transportation authority of such area, extending to and including all of the territory in the metropolitan area. An authority shall in no way be deemed to be an instrumentality of any city or county or other municipality or engaged in the performance of a municipal function,***

*but shall exercise the public powers of the Commonwealth as an agency and instrumentality thereof. An authority shall exist for the purpose of planning, acquiring, holding, constructing, improving, maintaining, operating, leasing, either as lessor or lessee, and otherwise functioning with respect to, a transportation system in the metropolitan area, and, outside of such area, whether within or beyond the boundaries of the Commonwealth, to the extent necessary for the operation of an integrated system and for the provision of all group and party services which can be provided by transportation systems subject to acquisition under this article: Provided, however, That all services rendered by the authority outside the metropolitan area shall be pursuant to certificates of public convenience or other appropriate authorization issued to it by the Pennsylvania Public Utility Commission, or other appropriate regulatory agency of any State or the Federal Government. An authority shall transact no business or otherwise become operative until and unless a majority of its board shall have been qualified in accordance with this article.*

*(b) The certification by the appointing power of each board member, and the constitutional oath of office subscribed by each member, shall be filed with the Department of State and upon the receipt of initial certifications and respective oaths of a majority of the total number of board members appropriate to any metropolitan area, the Secretary of the Commonwealth shall issue a certificate of incorporation. Such certificate shall refer to the authority by the name which shall be designated by such board members.*

*(c) In any suit, action or proceeding involving or relating to the validity or enforcement of any contract or act of an authority, a copy of the certificate of incorporation, duly certified by the Department of State, shall be admissible in evidence, and shall be conclusive proof of the legal establishment of the authority.*

*(d) A duly certified authority shall have and may exercise all powers necessary or convenient for the carrying out of the aforesaid purposes, including but without limiting the generality of the foregoing, the following rights or powers:*

*(1) To have perpetual existence.*

*(2) To sue and be sued, implead and be impleaded, complain and defend in all courts, to petition the Interstate Commerce Commission or other regulatory body, or join in any proceeding before any such bodies or courts in any matter affecting the operation of any project of the authority.*

*(3) To adopt and use and alter at will a corporate seal.*

*(4) To establish a principal office within the county of the first class and such other office or offices as may be necessary for the carrying on of its duties.*

*(5) To acquire, purchase, hold, lease as lessee and use any franchise, property, real, personal or mixed, tangible or intangible, or any interest therein necessary, or desirable for carrying out the purposes of*



*the authority, and to sell, lease as lessor, transfer and dispose of any property, or interest therein, at any time acquired by it. In exercising any of the powers granted by this paragraph, the authority shall consider, inter alia, the same value factors as provided in section 309 in determining compensation under the exercise of eminent domain.*

*(6) To acquire by purchase, lease, or otherwise, and to construct, improve, maintain, repair and operate passenger transportation facilities.*

*(7) To make and from time to time to amend and repeal bylaws, rules, regulations and resolutions.*

*(8) To appoint officers, agents, employes and servants, to prescribe their duties and fix their compensation, subject, however, to specific provisions of this article.*

*(9) To fix, alter, charge and collect fares, rates, rentals and other charges for its facilities by zones or otherwise at reasonable rates to be determined exclusively by it, subject to appeal, as hereinafter provided, for the purpose of providing for the payment of all expenses and obligations of the authority, including the acquisition, construction, improvement, repair, maintenance and operation of its facilities and properties, the payment of the principal and interest on its obligations, and to comply fully with the terms and provisions of any agreements made with the purchasers or holders of any such obligations. The authority shall determine by itself, exclusively, the facilities to be operated by it, the services to be available and the rates to be charged therefor. Public hearings shall be held prior to such determinations when changes are proposed which would increase or decrease fares, establish new routes, eliminate routes, change routing or make substantial changes in the level of service scheduled. However, in the case of temporary changes not exceeding ninety days caused by emergencies, public hearings need not be held for changes in routing or level of scheduled service. Notice of public hearings shall be published in two newspapers of general circulation and a publication specifically designed to reach minorities not fewer than thirty calendar days prior to such hearing. Any person aggrieved by any rate or service or change of service fixed by the authority may bring an appeal against the authority in the court of common pleas of any county in the metropolitan area in which the charge, service or change of service shall be applicable, for the purpose of protesting against any such charge, service or change of service: Provided, however, That the grounds for such suits shall be restricted to a manifest and flagrant abuse of discretion or an error of law; otherwise, all such actions by the authority shall be final. Upon the finding of an error of law or a manifest and flagrant abuse of discretion, the court shall issue an order setting forth the abuse or error and returning the matter to the authority for such further action as shall be not inconsistent with the findings of the court. No appeal from the action of the authority or from the decision of the court of common pleas shall act as a super-*

*sedeas, except when taken by the authority or any county or municipality, or, in other cases, when specially granted after a finding that irreparable and extraordinary harm will result. The courts shall give priority to all such appeals and no bond shall be required of any party instituting such an appeal under the provisions of this section.*

*(10) The authority shall fix such rates, fares and charges in such manner that they shall be at all times sufficient in the aggregate, and in conjunction with any grants from Federal or other sources, and any other income available to the authority, to provide funds for the payment of all operating costs and expenses which shall be incurred by the authority, for the payment of the interest on and principal of all bonds, certificates and other obligations payable from said revenues and to meet all other charges upon such revenues as provided by any trust agreement executed by the authority in connection with the issuance of bonds or certificates under this article.*

*(11) The board may enter into agreements with the United States Post Office Department for the transportation of mail and payment of compensation to the authority in lieu of fares for the transportation of letter carriers in uniform at all times. The board may make similar agreements within any municipality, in and by which they are employed, for the transportation of firemen and public health nurses when in uniform, and of policemen when in uniform or when not in uniform, upon presentation of identification as policemen. The board may also provide free transportation for employes of the authority when in uniform or upon presentation of identification as such employes.*

*(12) To borrow money from private lenders, or from the State or Federal Government, or from any municipality in the metropolitan area, in such amounts as may be necessary or desirable for the operation and work of the authority; to make and issue negotiable notes, bonds, refunding bonds and other evidences of indebtedness or obligations of the authority in connection with any such borrowing or refunding or in payment in whole or in part of all or any part of any transportation system, or any bonds, shares or other securities of any corporation owning or operating any such system, or any franchises, property, equipment or interests acquired or to be acquired by the authority, and to secure the payment of such bonds, or any part thereof, by pledge or deed of trust of all or any of its revenues, rentals, and receipts, and to make such agreements with the purchasers or holders of such bonds or with others in connection with any such bonds, whether issued or to be issued as the authority shall deem advisable and in general, to provide for the security for said bonds and the rights of the holders thereof.*

*(13) To apply for and to accept grants, loans and other assistance from, and to enter into contracts, leases or other transactions with, the Federal Government or any agency or instrumentality thereof, the Commonwealth, any municipality or corporation, or any person what-*

*soever, for any of the purposes of the authority, and to enter into any agreement with the Federal Government in relation to such grants, loans, or other assistance: Provided, That such agreement does not conflict with any of the provisions of any trust agreement securing the payment of bonds or certificates of the authority.*

*(14) To make and execute all contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and any contract or instrument when signed by the chairman or vice chairman and secretary or assistant secretary or treasurer or assistant treasurer of the authority shall be held to have been properly executed for and on its behalf. Without limiting the generality of the foregoing, the authority is also authorized to enter into contracts for the purchase, lease, operation or management of transportation facilities within or without the metropolitan area or within or without the Commonwealth: Provided, however, That whenever such facilities are located outside the metropolitan area, they shall be subject to the jurisdiction of the appropriate regulatory agencies.*

*(15) To acquire by eminent domain any real or personal property including improvements, fixtures and franchises of any kind whatever for the public purposes set forth in this article in the manner hereinafter provided.*

*(16) To pledge, hypothecate, or otherwise encumber, all or any of the revenues or receipts of the authority as security for all or any of the obligations of the authority.*

*(17) To do all acts and things necessary for the promotion of its business, and the general welfare of the authority to carry out the powers granted to it by this article or any other statute.*

*(18) To enter into contracts with the Commonwealth, its agencies and instrumentalities, municipalities or corporations, on such terms as the authority shall deem proper for the use of any facility of the authority, and fixing the amount to be paid therefor.*

*(19) To enter into contracts of group insurance for the benefit of its employes, or to continue any existing insurance and/or pension or retirement system and/or any other employe benefit arrangement covering employes of an acquired existing transportation system, and/or to set up a retirement or pension fund or any other employe benefit arrangement for such employes.*

*(20) The authority shall have no power, at any time or in any manner, to pledge the credit or taxing power of the Commonwealth, or any political subdivision, nor shall any of its obligations be deemed to be obligations of the Commonwealth or of any of its political subdivisions, nor shall the Commonwealth or any political subdivision thereof be liable for the payment of principal or interest on such obligations.*

*(21) Private rights and property in the beds of existing public highways vacated in order to facilitate the purposes of the authority shall not be deemed destroyed or ousted by reason of such vacation,*

*but shall be acquired or relocated by the authority in the same manner as other property.*

*(22) To have the right to use any public road, street, way, highway, bridge or tunnel for the operation of a transportation system within the metropolitan area: Provided, however, That in all cases involving the facilities of a railroad, any operations of which extend beyond the metropolitan area, the exercise of this right by the authority shall be subject to the jurisdiction of the Public Utility Commission under Title 66 of the Pennsylvania Consolidated Statutes (relating to public utilities).*

*(23) To lease property or contract for service, including managerial and operating service, whenever it can more efficiently and effectively serve the public by so doing, rather than conducting its own operations with its own property.*

*(24) To self-insure or otherwise provide for the insurance of any property or operations of the authority against any risks or hazards.*

*(25) To act as agent of the State, or of the Federal Government or any of its instrumentalities or agencies, for the public purpose set out in this article.*

*(26) To conduct examinations and investigations and to hear testimony and take proof, under oath or affirmation at public or private hearings, as hereinafter provided, on any matter material to the public purposes set forth in this article.*

*(27) To make available to the government of a municipality or any appropriate agency, board or commission thereof, the recommendations of the authority affecting any area in the authority's field of operation or property therein, which it may deem likely to promote the public health, morals, safety and welfare.*

*(28) To form plans for the improvement of mass transportation in order to promote the economic development of the metropolitan area in which the transportation authority operates; to make recommendations concerning mass transportation facilities which the authority does not own or operate; to make recommendations concerning throughways and arterial highway connections to the Department of Transportation and to other appropriate governmental bodies; and otherwise to cooperate with all such governmental bodies. The authority shall give advance notice to the Department of Transportation of any plans which it may have for the occupation or use of any part of any State highway.*

*(29) The authority shall not have power to levy taxes for any purpose whatsoever.*

*(30) It shall be the duty of the board, as promptly as possible, to rehabilitate, reconstruct, and extend as possible, all portions of any transportation system acquired by the authority and to maintain at all times a fast, reliable and economical transportation system suitable and adapted to the needs of the municipalities served by the authority and for safe, comfortable and convenient service. To that end, the*

*board shall make every effort to utilize high speed rights-of-way, private or otherwise, to the maximum extent practicable to avoid air pollution by its vehicles; to abandon no physical property which has useful and economical capabilities, and to extend its rail and highway services into areas which have sufficient need for them to economically or strategically justify such extension.*

*(31) To agree with the constituent municipalities in which it operates for the lease of present and future municipal property, where such a lease would be advantageous to the authority in the financing or the operation of improved passenger transportation service.*

*(32) To adopt consistent with the policies of this article and from time to time amend a comprehensive transit plan: Provided, however, That a public hearing shall be conducted prior to adoption or amendment. Notice of such public hearing shall be published in two newspapers of general circulation and a publication specifically designed to reach minorities not fewer than thirty days prior to such hearing.*

*Section 304. Public Hearings.—(a) All public hearings required by this article shall be conducted so as to insure that:*

*(1) Members of the public are afforded a reasonable opportunity to comment orally or in writing or both orally and in writing concerning actions the authority proposes to take.*

*(2) The site of the hearing is a convenient, accessible location.*

*(3) Members of the public are adequately informed at the outset regarding the purposes of the hearing and the matters on the agenda.*

*(4) Reasonable and legitimate questions from members of the public are answered.*

*(b) Whenever a decrease in service is proposed a public hearing shall be conducted in accordance with this section in the area affected by the proposed decrease in service.*

*Section 305. Citizen Advisory Committee.—(a) There is hereby established a Citizen Advisory Committee. The committee shall consist of:*

*(1) an even number of members of the general public not fewer than fourteen and not greater than twenty-four (the exact number to be determined by the chief operations officer) who shall be appointed by the county commissioners or the county council, as the case may be, of all counties of the third class and second class A who are involved with any city of the first class in the operation of a mass transportation system and by the mayor of any such city of the first class from residents of their respective municipalities who are regular users of mass transportation service; and*

*(2) five members of the general public, one resident from each of the counties mentioned in paragraph (1) and one resident from the city mentioned in paragraph (1) who are regular users of mass transportation service who shall be appointed by the chief operations officer.*

*(b) The composition of the committee shall reflect the proportionate distribution of total ridership among all counties of the third class and second class A who are involved with any city of the first class in the operation of a mass transportation system and any such city of the first class. The terms of the members shall be two years from the date of appointment or until a successor has been appointed except that one-half of the members first appointed shall serve for terms of one year and the other one-half shall serve for terms of two years. No member shall serve more than three consecutive terms. The committee shall select from among its number a chairman, vice chairman and a secretary. A majority of the members of the committee plus one shall constitute a quorum.*

*(c) Regardless of whether public hearings are required on the following matters, the chief operations officer shall submit to the committee proposals regarding the adoption or amendment of a comprehensive transit plan, the annual operating budget, any capital budget, the facilities to be operated, the services to be available and the rates to be charged therefor or other matters of a similar nature prior to any final action relating to any of the foregoing. The committee may thoroughly consider such proposals and may prepare and transmit to the chief operations officer and to any interested member of the public written comments concerning the proposals prior to the date when final action is to be taken.*

*(d) Although the chief operations officer shall give careful and due consideration to the committee's comments prior to the taking of any final action, such comments shall be considered only advisory in nature.*

*Section 306. Power to Acquire Property, Franchises, etc.—*

*(a) The authority shall have power to acquire by purchase, condemnation, lease, gift, or otherwise, all or any part of the property of any public utility operating a transportation system within the metropolitan area, including but not limited to, the plant, equipment, property rights in property reserve funds, employees' pension or retirement funds, special funds, franchises, licenses, patents, permits, operating rights, and paper documents and records, which said property shall be located within the metropolitan area and shall be appropriate for the purposes for which the authority is established, as well as all or any part of the right-of-way, equipment, fixed facilities, and other property of any kind of any such utility, extending beyond the boundaries of the metropolitan area and forming, or capable of forming, part of an integrated suburban rapid transit or rail transportation facility, connecting with rapid transit or electric railway lines of the authority in super highways or elsewhere. No interest in the right-of-way of a railroad company the operations of which extend beyond the metropolitan area shall be acquired or occupied under the power of eminent domain pursuant to this section or any other section without the consent of said railroad. Such properties, upon acquisition by or lease*

*to the authority, shall become and be operated as part of the transportation system of the authority, and the authority shall have all powers in connection with such properties and such operations as are conferred by this article. The authority shall also have the power to enter into agreements to operate any such lines located or extending beyond the boundaries of the metropolitan area, such agreements to be subject to all other provisions of this article. The authority shall have power to lease or purchase any municipally-owned local transportation subways or other municipally-owned local transportation facilities for operation and maintenance by the authority.*

*(b) Whenever the authority shall condemn all or substantially all of the property of a transportation system, it may elect to commence condemnation proceedings without immediate passage of title by inserting a provision to that effect in the declaration of taking. In that event, the provisions of section 407 of the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the "Eminent Domain Code," shall not apply, and the title shall not pass to the authority and the authority shall not be entitled to possession until payment to the condemnee or into court of the amount of the just compensation payable for the property taken (determined as of the date of filing of the declaration of taking), as finally determined in accordance with the provisions of this article: Provided, That such payment occurs within one year of such final determination: And provided further, That from and after the filing of the declaration of taking until the payment to the condemnee of just compensation for the condemned property, the authority shall have the right to petition the court having jurisdiction of the proceedings to prevent waste, substantial disposition or any transaction with respect to the condemned property other than in the ordinary course of business without obtaining the prior written consent of the authority. The condemnee shall have no right to tender possession of the property or otherwise to demand payment of any compensation prior to such passage of title.*

*Section 307. Power to Buy, Lease or Sell Property.—The authority shall have power to acquire by purchase, condemnation, lease, gift or otherwise, any property and rights useful for its purposes and to sell, lease, transfer or convey any property or rights when no longer useful or exchange the same for other property or rights which are useful for its purposes.*

*Section 308. Power to Contract with Public Utilities.—The authority shall have power to enter into agreements with any public utility operating a railroad or any other transportation facility, either within or without the metropolitan area for the joint use of any property of the authority or public utility or the establishment of through routes, joint fares and transfer of passengers.*

*Section 309. Removal or Relocation of Utility Structures; Power of Eminent Domain.—(a) The authority shall have power, subject to relevant provisions of section 303(d)(22), to require persons or corpo-*

*rations owning or operating public utility structures and appliances in, upon, under, over, across or along the public roads, streets, or other public ways in which the authority has the right to own, construct, operate or maintain transportation facilities to remove such public utility structures and appliances from their locations. If any person or corporation owning or operating public utility structures and appliances fails or refuses so to remove or relocate them, the authority may remove or relocate them; the authority shall provide the new location which the structures or appliances as relocated shall occupy and to that end the authority is hereby authorized to acquire by purchase or by the exercise of the power of eminent domain any necessary land or right-of-way for such purpose, if the new location shall not be in, on or above a highway, road or street. The exact new location shall be chosen by agreement of the authority and the utility. Upon the completion of such relocation, the authority shall reimburse the public utility for the cost of relocation which shall be the entire amount paid by the utility properly attributable to the relocation of the structure or appliance after deducting the cost of any increase in the service capacity of the new structure or appliance and any salvage value derived from the old structure or appliance. If an issue shall arise between the authority and the public utility as to the amount of the cost of relocation or the new location either party may institute a proceeding by complaint before the Pennsylvania Public Utility Commission which is hereby clothed with exclusive jurisdiction to hear and determine such issue. Appeal from the order of the commission in any such proceeding may be taken in the same manner as is prescribed by law for appeals from other orders of the commission.*

*(b) The authority shall have the right of eminent domain which may be exercised, either within or without the metropolitan area, to acquire private property and property devoted to any public use which is necessary for the purposes of the authority, except property of a public utility operating transportation facilities extending beyond the boundaries of the metropolitan area: Provided, however, The authority shall have the right of eminent domain to acquire property of any railroad which property is not used for or in connection with the transportation of persons or property and to acquire rights and easements across, under or over the right-of-way of such railroad whenever the authority shall acquire the private right-of-way or other property of a public utility used or useful in its service to the public. It shall before requiring the removal of the existing structures and appliances provide a new location for the said structures and appliances, and upon the completion of relocation, reimburse the public utility for the cost thereof in the manner provided in subsection (a).*

*(c) Title to any property acquired by an authority through eminent domain shall be an absolute ownership or fee simple title unless a lesser title shall be designated specifically in the eminent domain proceedings. Real and personal property of any kind whatever*



*belonging to a public utility corporation providing transportation or transportation related services, may be acquired without the approval of the Public Utility Commission: Provided, however, That in all cases involving the facilities of a railroad, any operations of which extend beyond the metropolitan area, the exercise of the power of the authority under this subsection shall be subject to the jurisdiction of that commission under Title 66 of the Pennsylvania Consolidated Statutes (relating to public utilities).*

*(d) No property owned or used by the United States, the Commonwealth, any political subdivision thereof, or any body politic and corporate organized as an "authority" under any law of the Commonwealth or by any agency of any of them, nor property used for burial purposes or places of public worship, shall be taken under the right of eminent domain without the consent of the owner or user thereof.*

*(e) Before exercising the power of eminent domain, reasonable efforts shall be made by the authority to achieve the desired result through negotiation.*

*Section 310. Use of Ways Occupied by Other Passenger Utilities.—The authority shall not have the right to use any street or public way, presently occupied by a public utility engaged in local passenger transportation, for a competing purpose, without the agreement of such public utility.*

*Section 311. Loans, Bonds and Certificates; Trust Indentures.—*

*(a) The authority shall have the continuing power to borrow money for the purpose of acquiring any transportation system (including any cash funds of such system reserved to replace worn out or obsolete equipment and facilities) and for acquiring necessary cash working funds or for acquiring, constructing, reconstructing, extending or improving its transportation system or any part thereof and for acquiring any property and equipment useful for the construction, reconstruction, extension, improvement or operation of its transportation system or any part thereof, and for any other of its corporate purposes. The authority shall also have the continuing power to issue and deliver evidence of its indebtedness in payment in whole or in part for all or any part of any transportation system, or any bonds, shares or other securities of any corporation owning or operating any such system, or any franchises, property, equipment or interests acquired or to be acquired by the authority. For the purpose of evidencing the obligation of the authority to repay any money borrowed as aforesaid, or to pay any indebtedness incurred in connection with the acquisition of all or any part of any transportation system, or any bonds, shares or other securities of any corporation owning or operating any such system, or any franchises, property, equipment or interests as aforesaid, the authority may, pursuant to resolution adopted by the board, from time to time, issue and dispose of its interest-bearing bonds or certificates and may also, from time to*

*time, issue and dispose of its interest-bearing bonds or certificates, to refund any bonds or certificates at maturity or pursuant to redemption provisions or at any time before maturity with the consent of the holders thereof. All such bonds and certificates shall be payable solely from the revenues or income to be derived from the transportation system including grants, gifts or contributions from the Federal, State or local governments, their agencies or instrumentalities, or any other source; may bear such date or dates; may mature at such time or times not exceeding forty years from their respective dates; may bear interest at such rate or rates; may be in such form; may carry such registration privileges; may be executed in such manner; may be payable at such place or places; may be made subject to redemption in such manner and upon such terms with or without premium as is stated on the face thereof; may be authenticated in such manner and may contain such terms and covenants, all as may be authorized by the board. Notwithstanding the form or tenor thereof, and in the absence of an express recital on the face thereof that it is nonnegotiable, all such bonds and certificates shall be negotiable instruments. Pending the preparation and execution of any such bonds or certificates, temporary bonds or certificates may be issued with or without interest coupons as may be authorized by the board.*

*(b) To secure the payment of any or all of such bonds or certificates and for the purpose of setting forth the covenants and undertaking of the authority in connection with the issuance thereof and the issuance of any additional bonds or certificates payable from such revenue or income as well as the use and application of the revenue or income to be derived from the transportation system, the authority may execute and deliver a trust indenture or indentures. A remedy for any breach or default of the terms of any such trust indenture by the authority may be by mandamus or injunction proceeding, or other proceeding in law or in equity in any court of competent jurisdiction to compel performance and compliance therewith, but the trust indenture may prescribe by whom or on whose behalf such action may or may not be instituted.*

*(c) Under no circumstances shall any bonds or certificates issued by the authority or any other obligation of the authority be or become an indebtedness or obligation of the Commonwealth or of any political subdivision thereof.*

*(d) Before any such bonds or certificates (excepting refunding bonds or certificates and bonds or certificates issued in payment in whole or in part of all or any part of any transportation system, or any bonds, shares or other securities of any corporation owning or operating any such system, or any franchises, property, equipment or interests) are sold, the entire authorized issue or any part thereof shall be offered for sale as a unit after advertising for bids at least three times in a daily newspaper of general circulation published in the metropolitan area, the last publication to be at least ten days before*

*bids are required to be filed. Copies of such advertisement may be published in any newspaper or financial publication in the United States. All bids shall be sealed, filed and publicly opened as authorized by the board, and the bonds or certificates shall be awarded to the highest responsible bidder or bidders therefor. The authority shall have the right to reject all bids and readvertise for bids in the manner provided for in the initial advertisement. However, if no bids are received, such bonds or certificates may be sold at not less than par value and accrued interest without further advertising within sixty days after the bids are required to be filed pursuant to any advertisement. The foregoing requirements of competitive bidding shall not be applicable to bonds or certificates or other evidences of indebtedness issued in payment in whole or in part for all or any part of any transportation system, or any bonds, shares or other securities of any corporation owning or operating any such system, or any franchises, property, equipment or interests acquired or to be acquired by the authority, nor shall such requirements be applicable to notes issued by the authority which mature in not more than three years from date of issue and which are issued in anticipation of financing over a longer term.*

*(e) The bonds of the authority created under the provisions of this article, the sale or transfer thereof, and the income therefrom shall, at all times, be free from taxation for State or local purposes under any law of this Commonwealth or political subdivision thereof.*

*(f) Neither the board members of the authority nor any person executing the bonds shall be liable personally on any such bonds by reason of the issuance thereof.*

*(g) Bonds of the authority which are sold for cash may be sold at not less than ninety-five percent of par and accrued interest. In case any of the officers of the authority, whose signatures appear on any bonds or coupons shall cease to be officers before the delivery of such bonds, their signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officers had remained in office until such delivery.*

*(h) Any bond reciting in substance that has been issued by the authority to accomplish the public purposes of this article, shall be conclusively deemed in any suit, action or proceeding involving the validity or enforceability of such bond or security therefor to have been issued for such purpose.*

*Section 312. Acquisition of Equipment; Agreements and Leases.—*

*(a) The authority shall have power to purchase equipment such as cars, trolley buses and motor buses and may execute agreements, leases and equipment trust certificates in the form customarily used in such cases appropriate to effect such purchase, and may dispose of such equipment trust certificates: Provided, however, That wherever feasible, such certificates shall be offered for public sale in a manner similar to that provided for the sale of bonds in this article. All money*

*required to be paid by the authority under the provisions of such agreements, leases, and equipment trust certificates, shall be payable solely from the revenue or income to be derived from the transportation system and from grants and loans as provided elsewhere in this article. Payment for such equipment or rentals therefor may be made in installments and the deferred installments may be evidenced by equipment trust certificates payable solely from such revenue, income, grants or loans and title to such equipment shall not vest in the authority until the equipment trust certificates are paid.*

*(b) The agreement to purchase may direct the vendor to sell and assign the equipment to a bank or trust company duly authorized to transact business in the Commonwealth as trustee for the benefit and security of the equipment trust certificates and may direct the trustee to deliver the equipment to one or more designated officers of the authority and may authorize the trustee simultaneously therewith to execute and deliver a lease of the equipment to the authority.*

*(c) The agreements and leases shall be duly acknowledged before some person authorized by law to take acknowledgments of deeds and in the form required for acknowledgments of deeds, and such agreements, leases and equipment trust certificates shall be authorized by resolution of the board and shall contain such covenants, conditions and provisions as may be deemed necessary or appropriate to insure the payment of the equipment trust certificates from the revenue or income to be derived from the transportation system.*

*(d) The covenants, conditions and provisions of the agreements, leases and equipment trust certificates shall not conflict with any of the provisions of any trust indenture securing the payment of bonds or certificates of the authority.*

*(e) An executed copy of each such agreement and lease shall be filed in the Office of the Secretary of the Commonwealth who shall be entitled to receive one dollar for each such copy filed with him, and which filing shall constitute notice to any subsequent judgment creditor or any subsequent purchaser. Each vehicle so purchased and leased shall have the name of the owner and lessor plainly marked upon both sides thereof, followed by the words "Owner and Lessor."*

*(f) An authority shall have power by the resolution, trust, indenture, mortgage, lease or other contract to confer upon any obligees holding or representing a specified percentage in bonds, or holding a lease, the right, in addition to all rights that may otherwise be conferred, upon the happening of an event of default as defined in such resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction:*

*(1) To obtain the appointment of a receiver of any real property of the authority and of the rents and profits therefrom. If such receiver be appointed, he may enter and take possession of such real property, operate the same and collect and receive all revenues or other income thereafter arising therefrom, and shall keep such moneys*

*in a separate account and apply the same in accordance with the obligations of the authority as the court shall direct.*

*(2) To require the authority, and the board members thereof, to account as if it and they were the trustees of an express trust.*

*Section 313. Provisions of Bonds; Trust Indentures.—In connection with the issuance of bonds or the incurring of obligations under leases, and in order to secure the payment of such bonds or obligations, the authority, in addition to its other powers, shall have power:*

*(1) To pledge all or any part of its gross or net revenues to which its right then exists or may thereafter come into existence.*

*(2) To mortgage all or any part of its real or personal property then owned or thereafter acquired.*

*(3) To covenant against pledging all or any part of its revenues, or against mortgaging all or any part of its real or personal property to which its right or title exists or may thereafter come into existence, or against permitting or suffering any lien on such revenues or property to covenant with respect to limitations on its right to sell, lease or otherwise dispose of any of its real property, and to covenant as to what other or additional debts or obligations may be incurred by it.*

*(4) To covenant as to the bonds to be issued and as to the issuance of such bonds, in escrow, or otherwise, and as to the use and disposition of the proceeds thereof, to provide for the replacement of lost, destroyed, or mutilated bonds, to covenant against extending the time for the payment of its bonds or interest thereon, and to redeem the bonds and to covenant for their redemption and to provide the terms and conditions thereof.*

*(5) To covenant, subject to the limitations contained in this article, as to the amount of revenues to be raised each year, or other period of time, as well as to the use and disposition to be made thereof, to create or to authorize the creation of special funds for debt service or other purposes, and to covenant as to the use and disposition of the moneys held in such funds.*

*(6) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds, the holders of which must consent thereto, and the manner in which such consent may be given.*

*(7) To covenant as to the use of any or all of its real or personal property, to warrant its title, and to covenant as to the maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys.*

*(8) To covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant, condition or obligation, and to covenant and prescribe, in the event of default, as to terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived.*

*(9) To vest in a trustee, or the holders of bonds, or any proportion of them, the right to enforce the payment of the bonds or any covenants securing or relating to the bonds, to vest in a trustee the right, in the event of a default by the authority, to take possession and use, operate and manage any real property and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement of the authority with such trustee, to provide for the powers and duties of a trustee and to limit liabilities thereof, and to provide the terms and conditions upon which the trustee or the holders of bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds.*

*(10) To make covenants other than, and in addition to, the covenants herein expressly authorized; to make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or in the absolute discretion of the authority, as will tend to accomplish the purposes of this article, by making the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.*

*Section 314. Bonds and Certificates to be Legal Investments.—The Commonwealth and all political subdivisions and public bodies and public officers of any thereof, all banks, bankers, trust companies, saving banks and institutions, building and loan associations, saving and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or certificates issued pursuant to this article, it being the purpose of this section to authorize the investment in such bonds or certificates of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers.*

*Section 315. Investment and Reinvestment of Funds.—The authority shall have the power to invest and reinvest any funds held in reserve or sinking funds not required for immediate disbursement:*

*(1) in obligations of the United States and of the Commonwealth of Pennsylvania as defined in 20 Pa.C.S. § 7303(1) and (2) (relating to government obligations) and obligations of Federal organizations as defined in 20 Pa.C.S. § 7304 (relating to obligations of Federal organizations); and*

*(2) for sinking fund purposes only, in bonds or certificates of the authority at not to exceed their par value or their call price plus accrued interest;*

*and to sell any of the securities acquired under paragraph (1) whenever the funds are needed for disbursement. Such investment or reinvestment of any fund shall not be in conflict with any provisions of any trust agreement securing the payment of bonds or certificates of the authority.*

**Section 316. Governing and Policymaking Body; Policy Matters.—**

(a) *The governing and policymaking body of the authority shall be a board, to be known as the Transportation Board of the metropolitan area, consisting of members to be appointed as hereinafter provided, who, except for the appointee of the Governor, must be residents of the metropolitan area. No board member shall be allowed any fees, perquisites or emoluments, reward or compensation for his services as a member or officer of the authority, but he shall be reimbursed for actual expenses incurred by him in the performance of his duties.*

(b) *The board shall not involve itself in the day-to-day administration of the authority's business. It shall limit its exercise of powers to such areas of discretion or policy as the functions and programs of the authority, the authority's operating and capital budgets, the authority's standard of services, utilization of technology, the organizational structure and subject to the provisions of this article the selection of personnel and the establishment of salaries for such personnel.*

**Section 317. Appointment of Board Members.—**(a) *At any time after the effective date of this article:*

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

(2) *The county commissioners or the county council in each county, and, in any county of the first class containing a city of the first class, the mayor, with the approval of the city council, may appoint two persons for each county to serve as board members.*

(b) *At the expiration of the term of any board member, his successor shall be appointed by the same power who appointed him, for a term of five years from such expiration date.*

(c) *The appointing powers shall certify their respective appointments to the Secretary of the Commonwealth. Within thirty days after certification of his appointment and before entering upon the duties of his office, each member of the board shall take and subscribe the constitutional oath of office and file it in the Office of the Secretary of the Commonwealth.*

**Section 318. Resignation and Removal of Members; Vacancies.—***Members of the board shall hold office until their respective successors have been appointed and have qualified. The appointing power may remove any member of the board appointed by him or them, but only in case of incompetency, neglect of duty or malfeasance in office. No member shall be thus removed except after having been given a copy of the charges against him and an opportunity to be publicly heard, at a place in the metropolitan area, in person or by counsel, in his own defense upon not less than ten days' written notice. In case of*

*failure to qualify within the time required or of abandonment of his office or in case of death, conviction of a felony or removal from office, his office shall become vacant. A member shall be deemed to have abandoned his office upon failure to attend any regular or special meeting of the board, without excuse approved by resolution of the board, for a period of four months, or upon removal of his residence from the metropolitan area. Each vacancy shall be filled for the unexpired term by appointment in like manner and with like regard as to the place of residence of the appointee as in case of expiration of the term of a member of the board. A member removed for incompetency, neglect of duty or malfeasance in office shall have the right to appeal such removal to the court of common pleas of the county for which he was appointed, but only on the ground of error of law or manifest and flagrant abuse of discretion.*

**Section 319. Meetings, Quorum, Approval of Resolutions; Election of Chairman.**—(a) *Regular meetings of the board shall be held in the metropolitan area at least once in each calendar month except July or August, the time and place of such meetings to be fixed by the board. A majority of the board shall constitute a quorum for the transaction of business. All action of the board shall be by resolution and the affirmative vote of a majority of all the members shall be necessary for the adoption of any resolution: Provided, however, That no action by the board, to which an express objection has been made, pursuant to this section, by a board member or members representing a county or counties having one-third or more of the population of the metropolitan area, as determined by the most recent decennial census, shall be carried unless supported at a subsequent regular meeting of the board by the votes of at least three-quarters of the membership of the board. In case of disagreement between members representing the same county, each member shall be deemed to represent one-half of the population of that county.*

(b) *The board shall elect from among its members a chairman and a vice chairman, who shall serve for a term of one year and until their successors shall have been elected and qualified, and shall perform such duties as the board shall, by resolution, determine.*

(c) *All resolutions and all proceedings of the authority and all documents and records in its possession shall be public records and open to public inspection, except such documents and records as shall be kept or prepared by the board for use in negotiations, actions or proceedings to which the authority is or may become a party.*

**Section 320. Secretary, Oath, Bond.**—*The board shall appoint a secretary who shall not be a member of the board, to hold office during the pleasure of the board and shall fix such person's duties and compensation. The secretary shall not be engaged in any other business or employment during his or her tenure of office as secretary of the board. Before entering upon the duties of his or her office he or she shall take and subscribe the constitutional oath of office. Officers*



*and employes of the authority, and such members of the board as the board may determine, shall execute corporate surety bonds, conditioned upon the faithful performance of their respective duties. A blanket form of surety bond may be used for this purpose if the board deems such procedure to be practical and prudent. The obligation of the sureties shall not extend to any loss sustained by the insolvency, failure or closing of any National or State bank wherein funds of the authority have been deposited if the bank has been approved by the board as a depository for these funds. The oaths of office and the surety bond or bonds shall be filed in the principal office of the authority.*

*Section 321. Controller.—The board shall appoint a controller, who shall not be a member of the board, to hold office during the pleasure of the board and shall fix his or her compensation. The controller shall conduct a monthly examination of the books, accounts, documents and papers of the authority and report the results of his or her investigation to the board and the chief operations officer. The controller shall submit an annual report of the authority's financial condition which shall be in addition to any other financial report required by this article to the board and the chief operations officer. The controller shall execute a corporate surety bond and shall take and subscribe the oath of office provided in section 318.*

*Section 322. Treasurer.—The chief operations officer shall appoint a treasurer to hold office at his or her pleasure. In addition to the duties imposed on the treasurer by this article, the treasurer shall perform such other duties as the chief operations officer shall prescribe. The treasurer shall execute a corporate surety bond and shall take and subscribe the oath of office prescribed in section 320.*

*Section 323. Deposit of Funds, Checks and Drafts; Security Collateral.—(a) All funds deposited by the treasurer in any bank shall be placed in the name of the authority and shall be withdrawn or paid out only by check or draft upon the bank signed by the treasurer and countersigned by the chairman of the board. The board may designate any of its members or any officer or employe of the authority to affix the signature of the chairman to any check or draft for payment of salaries or wages and for the payment of any other obligation of not more than \$100,000. The chief operations officer may designate any officer or employe of the authority to affix the signature of the treasurer to any check or draft for payment of salaries or wages and for the payment of any other obligation of not more than \$100,000.*

*(b) Whenever the business of the authority requires the affixing of the signature of any officer or employe of the authority, the use of a facsimile signature, when expressly authorized by resolution of the board, shall have the same force and effect as an original signature.*

*(c) All bank balances to the extent the same are not insured shall be continuously secured by a pledge of direct obligations of United*

*States of America, of the Commonwealth or of any municipality or municipalities in the metropolitan area, having an aggregate market value, exclusive of accrued interest at all times at least equal to the balance on deposit in such bank. Such securities shall either be deposited with the treasurer of the authority or be held by a trustee or agent satisfactory to the authority. All banks and trust companies are authorized to give such security for such balances.*

**Section 324. Signatures of Officers Ceasing to Hold Office.**—*In case any officer whose signature appears upon any check, draft, bond, certificate or interest coupon issued pursuant to this article, ceases to hold his office before the delivery thereof to the payee or the purchaser of any bond or certificate, his signature nevertheless shall be valid and sufficient for all purposes with the same effect as if he had remained in office until delivery thereof.*

**Section 325. Chief Operations Officer.**—*The board shall appoint a chief operations officer, who shall have demonstrated that he or she is competent and experienced in the area of transit management, and shall fix his or her compensation. The chief operations officer shall have the power and it shall be his or her duty to:*

- (1) Manage the properties of the authorities.*
- (2) Attend to the day-to-day administration, fiscal management and operation of the authority's business.*
- (3) Appoint such employes as he or she deems necessary to conduct the affairs of his or her office, subject to the provisions of this article.*
- (4) Implement and enforce all resolutions, rules and regulations of the board.*
- (5) Submit to the board according to a schedule established by it, periodic reports showing the overall state or condition of the transit system according to established industry performance standards. Such reports shall be considered public records.*
- (6) Implement policies established by the board.*

**Section 326. Counsel to the Board.**—*The board shall appoint a counsel to the board, who shall be an attorney at law, admitted to practice before the Supreme Court of the Commonwealth, and who shall be appointed by the board to serve at its discretion. The board shall pay to the counsel to the board reasonable compensation for services actually performed. The counsel to the board shall advise the board in all matters relating to its official duties and shall notwithstanding any other provision of this article approve all matters relating to bonds and indentures.*

**Section 327. Legal Division; General Counsel.**—*(a) The chief operations officer shall establish a legal division which shall be administered by a full-time general counsel who shall be an attorney at law admitted to practice before the Supreme Court of Pennsylvania and who shall be appointed by the chief operations officer to serve at his or her pleasure. The legal division, in addition to the general counsel,*

*shall consist of such attorneys and other employes as the general counsel from time to time shall determine to be necessary, and who shall be appointed by the chief operations officer. Except as provided in section 326 the legal division shall administer the legal affairs of the authority, shall prosecute and defend, settle or compromise all suits or claims for and on behalf of the authority, and shall advise the chief operations officer in all matters relating to his or her official duties.*

*(b) The general counsel may, from time to time, with the approval of the chief operations officer, retain such other legal counsel on such terms and for such purposes as shall be deemed by the chief operations officer to be necessary or in cases where the needs of the authority would be better served. Nothing in this section or section 326 shall be construed so as to limit the power of the legal or other officers of the counties and municipalities comprising the metropolitan area to act in behalf of the chief operations officer in their official capacities when requested so to do by the chief operations officer.*

*Section 328. Other Employes.—The board acting through the chief operations officer shall have the right to bargain collectively and enter into agreements with labor organizations. The board acting through the chief operations officer shall recognize and be bound by existing labor union agreements where they exist between labor unions and transportation companies that are acquired, purchased, condemned or leased by the board. It shall designate their duties and require bonds of such of them as the board may designate. The compensation of the chief operations officer, counsel to the board, secretary and controller shall be fixed by the board. For all other officers, employes, attorneys, engineers, consultants and agents the board shall establish salary scales. The chief operations officer shall establish within such salary scales compensation levels based upon written appraisals of performance for all employes under his control. The secretary and the controller shall establish within such salary scales compensation levels based upon written appraisals of performance for all employes in their respective offices. With the exception of the secretary, any of the foregoing may be appointed, retained, hired or employed on a part-time basis and may be engaged in other business or professional activities: Provided, That no salaried executive officer of the authority shall hold any other office in or be an employe of the Federal, State or any county or municipal government except an office or employment without compensation or an office in the Military Reserve or National Guard.*

*Section 329. Classification of Positions and Employments; Discharge or Demotion of Officers or Employes; Hearings; Seniority; Pensions and Retirement.—(a) The chief operations officer shall classify all the offices, positions and grades of regular employment required, excepting that of the chairman of the board, secretary, counsel to the board and controller, with reference to the duties thereof and the compensation fixed therefor and adopt rules governing*

*appointments to any of such offices or positions on the basis of merit and efficiency. No discrimination shall be made in any appointment or promotion because of age, sex, race, creed, color or political or religious affiliations. No officer or employe shall be discharged or demoted except for just cause.*

*(b) The chief operations officer may abolish any office or reduce the force of employes for lack of work or lack of funds, but in so doing, the officer or employe with the shortest service record in the class and grade to which he belongs shall be first released from service and shall be reinstated in order of seniority, when additional force of employes is required. Seniority shall be considered a working condition. No qualified person shall be laid off if a transfer to another job, division or department within the transportation system can be arranged.*

*(c) There shall be established and maintained by the authority a pensions and retirement system to provide for payments when due under such system or as modified from time to time by resolution of the board. For this purpose, both the board and the participating employes shall make such periodic payments to the established system as may be determined by such resolution. The board may provide for participation by its employes in the social security program or, in lieu of social security payments required to be paid by private corporations engaged in similar activity, shall make payments into such established system at least equal in amount to the amount so required to be paid by such private corporations, or make such other arrangements as will accomplish the same purpose. Provisions shall be made by the board for all officers and employes of the authority appointed pursuant to this article to become, subject to reasonable rules and regulations, members and beneficiaries of the pensions and requirement system, with uniform rights, privileges, obligations and status as to the class in which such officers and employes belong. Members and beneficiaries of any pensions or retirement system established by a transportation system acquired by the authority shall continue to have rights, privileges, benefits, obligations and status with respect to such previously established system. To achieve the purposes set forth in this subsection, the board shall make appropriate rules and regulations and from time to time shall obtain competent actuarial advice.*

*Section 330. Transfers of Facilities or Things of Value to any Authority.—Any county, municipality, school district, corporation or person, or group, may and they are hereby authorized to sell, lease, lend, grant, convey, transfer or pay over to any authority, with or without consideration, any project or any part or parts thereof, or any interest in real or personal property or any funds available for building construction or improvement purposes, including the proceeds of bonds previously or hereafter issued for building construction or improvement purposes, or any money or thing of value, including services, which may be used by the authority in the construc-*

*tion, acquisition, improvement, maintenance or operation of any project or for any other of its corporate purposes, any other law to the contrary notwithstanding.*

**Section 331. Compacts to Finance Operations and Particular Projects.—(a)** *The counties and municipalities in any metropolitan area shall enter into a compact or compacts among themselves and/or with the authority to provide for meeting the authority's capital or operating budget by appropriations, annual or otherwise, of such sums and in such proportions as may be agreed upon in such compact to be paid by each signatory party thereto. The obligation incurred thereby shall be for the term as set forth in the compact without regard to the provisions of any law, ordinance or regulation to the contrary, and shall constitute a commitment and obligation, binding and absolute, on the part of each such signatory party, to appropriate and pay over the necessary funds in accordance therewith. The said operating budget shall include all sums of money necessary for the formation and organization of any authority and all items of operating expenses in connection with said authority, as well as necessary funds for planning and research appropriate and consistent with the purport of this article and any compact entered into pursuant to this article.*

*(b) Such a compact may also provide for the financing of a particular mass transportation project in such manner as shall be provided for in the compact.*

*(c) Whenever a party signatory to such a compact thereby expresses its approval of the budget for financing a particular project, this shall then constitute a commitment and obligation, binding and absolute, on the part of such party signatory to appropriate the necessary funds in accordance therewith.*

*(d) No commitment or obligation involving the payment of moneys to or on behalf of such authority shall exist in any instance on the part of any county or other municipality within the metropolitan area unless and until such commitment or obligation shall first have been expressly and lawfully undertaken and assumed by such county or municipality.*

**Section 332. Contracts, Procurement and Sale of Property; Concessions; Advertisement; Bidding.—(a)** *Except in the purchase of unique articles or articles which, for any other reason, cannot be obtained in the open market and except as hereinafter provided, competitive bids shall be secured before any purchase or sale, by contract or otherwise is made or before any contract is awarded for construction, alterations, supplies, equipment, repairs or maintenance or for rendering any services to the authority other than professional services; and the purchase shall be made from or the contract shall be awarded to the lowest responsible bidder; or a sale to the highest responsible bidder. No purchase of any unique article or other articles which cannot be obtained in the open market shall be made without*

*express approval of the board where the amount involved is in excess of \$10,000.*

*(b) All purchases and sales in excess of \$10,000 shall be awarded after advertising in a local newspaper of general circulation in the metropolitan area at least two weeks prior to the bid opening. Bids shall be publicly opened and read aloud at a date, time, and place designated in the invitation to bid. Invitations to bid shall be sent at least one week prior to the bid opening to at least three potential bidders who are qualified technically and financially to submit bids, or in lieu thereof a memorandum shall be kept on file showing that less than three potential bidders so qualified exist in the market area within which it is practicable to obtain bids.*

*(c) Written price quotations from at least three qualified and responsible vendors shall be obtained for all purchases and sales under \$10,000 and over \$2,500, or in lieu thereof, a memorandum, approved by the chief operations officer, shall be kept on file showing that less than three vendors so qualified exist in the market area within which it is practicable to obtain quotations; except as hereinafter provided.*

*(d) Purchases or sales under \$2,500 may be negotiated with or without competitive bidding under sound procurement procedures as promulgated and established by the chief operations officer.*

*(e) Competitive bidding requirements may be waived if it is determined by the chief operations officer, or in such other manner as the board may, by regulation, provide, that an emergency directly and immediately affecting customer service, or public health, safety or welfare requires immediate delivery of supplies, materials, equipment or services: Provided, however, That a record of circumstances explaining the emergency shall be submitted to the board at its next regular meeting and thereafter kept on file.*

*(f) All concessions granted by the authority for the sale of products or the rendition of services for a consideration on authority property shall be awarded only pursuant to written specifications after competitive bidding and to the highest responsible bidder in a manner similar to that required by subsection (e) relating to contracts for procurement involving an expenditure of more than \$10,000: Provided, That the foregoing requirement for competitive bidding shall not apply to any concession which has been granted by a transportation system acquired by the authority and which by the terms of the agreement granting it will terminate within one year from date of the acquisition of the transportation system by the authority, nor to any concession involving the estimated receipt by the authority of less than 2,500 over the period for which the concession is granted.*

*(g) Contracts for the sale or lease of real property owned by the authority shall be awarded after competitive bidding as shown in subsection (b) except where contract is entered into with the Commonwealth or any political subdivision or agency or instrumentality thereof or with the United States Government or any agency or instrumentality thereof.*

*(h) Contracts for the management of authority-owned property, such as bus routes or subway systems may be negotiated and awarded by an affirmative vote of one more than a majority of all members of the board.*

*(i) Requirements shall not be split into parts for the purpose of avoiding the provisions of this section.*

*(j) The authority shall have the right to reject any or all bids or parts of any or all bids, whenever, in the opinion of the board, such rejection is necessary for the protection of the interests of the authority. In every such case, a record shall be made, setting forth the reason for such rejection, which record shall thereafter be kept on file.*

*(k) The board shall adopt rules and regulations to effectuate the provisions of this section.*

**Section 333. Conflict of Interest.**—*Every member of the board and every employe of the authority who knowingly has any interest, direct or indirect, in any contract to which the authority is, or is about to become, a party, or in any other business of the authority, or in any firm or corporation doing business with the authority, shall make full disclosure of such interest to the board. Failure to disclose such an interest shall constitute misconduct, for which a board member may be removed by the appointing power, or an employe may be discharged or otherwise disciplined at the discretion of the board. Whenever, in the opinion of the board, any such interest on the part of any board member or any employe, shall constitute a conflict of interest detrimental to the authority, the board shall require such action or abstention by such board member or employe as it may deem necessary or desirable to protect the interest of the authority. The board shall promulgate such rules and regulations as may be necessary to effectuate the purposes of this section.*

**Section 334. Fiscal Operating Year; Budget; Capital Program.**—*(a) The board shall establish a fiscal operating year. At least ninety days prior to the beginning of the first full fiscal year after the creation of the authority and, annually thereafter, the board shall cause to be prepared and submitted to it a tentative operating budget and a tentative capital budget for the ensuing fiscal year. The tentative budgets shall be considered by the board and, subject to any revision and amendments as may be determined, shall be adopted at least thirty days prior to the first day of the ensuing fiscal year as the budgets for that year. The board shall establish such rules as are necessary for proper observance of the budgets. Simultaneously with the adoption of the budget, the board shall adopt a tentative capital program covering the ensuing six years.*

*(b) A public hearing shall be conducted prior to the adoption of the final operating budget and tentative capital program. Notice of such public hearing shall be published in two newspapers of general circulation and a publication specifically designed to reach minorities not fewer than thirty days prior to such hearing.*

**Section 335. Financial Statements and Reports; Audit.**—(a) *As soon after the end of each fiscal year as is feasible, the board shall cause to be prepared and printed a report and financial statement of the authority's operations for the previous year and of its assets and liabilities. A reasonably sufficient number of copies of such report shall be printed for distribution to persons interested upon request. A copy of such report shall be filed with the Secretary of the Commonwealth, the county clerk of each county in the metropolitan area, and the clerk of each municipality which has granted rights to the authority by ordinance and a copy of such report shall be addressed to and mailed to the mayor and city council or the governing body of such municipality. The board from time to time shall mail to the persons and offices specified in the preceding sentence copies of such interim financial reports as may be prepared by the authority, copies of all bylaws, rules and regulations, and amendments thereto, and copies of the annual financial budgets.*

(b) *The board shall appoint in due time each year a firm of independent certified public accountants as auditors who shall examine the books, records and accounts of the authority for the purpose of auditing and reporting upon its financial statement for such year. The report of such auditors shall be appended to such financial statement.*

**Section 336. Transfer of Records by Public Utility Commission.**—*In case the authority acquires the plant, equipment, property and rights in property of any public utility used or useful in the operation of a transportation system, the Pennsylvania Public Utility Commission shall transfer and deliver to the board, upon its demand, in writing, all books, papers and records in control of said commission affecting such public utility exclusively.*

**Section 337. Depreciation Reserve.**—(a) *There shall be established and maintained a reserve for depreciation reasonably estimated to be adequate to care for the retirement (due to exhaustion, wear and tear and obsolescence) of property at cost. The amount necessary to be credited to the reserve each year for such purposes shall be charged to operations.*

(b) *If, by any covenant of the authority, there is required to be established out of revenues any reserve for debt retirement or property replacements or additions, the amount of the annual provision credited to the reserve as required by this section, shall be considered to have been made, to the extent needed, for or toward the corresponding annual requirement of any such covenant.*

**Section 338. Damage Reserve Fund.**—*The board shall withdraw from the gross receipts of the authority and charge to operating expenses such an amount of money as, in the opinion of the board, shall be sufficient to provide for the adjustment, defense and satisfaction of all suits, claims, demands, rights and causes of action, and the payment and satisfaction of all judgments entered against the authority for damage caused by injury to or death of any person and*



*for damage to property resulting from the construction, maintenance and operation of the transportation system, and the board shall deposit such moneys in a fund to be known and designated as Damage Reserve Fund. The board shall use the moneys in the Damage Reserve Fund to pay all expenses and costs arising from the adjustment, defense and satisfaction of all suits, claims, demands, rights and causes of action, and the payment and satisfaction of all judgments entered against the authority for damages caused by injury to or death of any person and for damage to property resulting from the construction, maintenance and operation of the transportation system. At any time, and from time to time, the board may obtain and maintain insurance coverage or protection, partially or wholly, insuring or indemnifying the authority against loss or liability on account of injury to, or death of any person, and for damage to property resulting from the construction, maintenance and operation of the transportation system. The cost of obtaining and maintaining such insurance shall be paid out of the moneys in the Damage Reserve Fund. All moneys received from such insurance coverage or protection shall be paid into the Damage Reserve Fund.*

**Section 339. Special Funds; Common Cash Account and Auxiliary Short Term Investment Portfolio; Reserves.—***(a) The authority, pursuant to resolutions adopted from time to time by the board, may establish and create such other and additional special funds as may be found desirable by the board and in and by such resolutions may provide for payments into all special funds from specified sources with such preferences and priorities as may be deemed advisable and may also by any such resolutions provide for the custody, disbursement and application of any moneys in any such special funds consistent with the provisions of this article, and consistent with good accounting practice with due reference to the uniform system of accounts for transportation operations maintained by either the Interstate Commerce Commission or the Pennsylvania Public Utility Commission.*

*(b) To the extent practicable the authority may establish a common cash account and auxiliary short-term investment portfolio as a depository for all cash of the general or special funds: Provided, That the interest of each fund therein be clearly recorded and preserved at all times: And provided further, That there shall not be any commingling of assets where prohibited by any covenant of the authority.*

*(c) Nothing contained in this article shall be construed as to prevent the prudent accumulation of reserve funds by the authority.*

**Section 340. Investigations and Subpoenas.—***(a) The board may investigate all means of transportation and the management thereof, the enforcement of its resolutions, rules and regulations, and the action, conduct, and efficiency of all officers, agents and employes of the authority. In the conduct of such investigations, the board may*

*hold public hearings on its own motion and shall do so on complaint or petition of any municipality in the metropolitan area. Each member of the board shall have power to administer oaths and the secretary, by order of the board, shall issue subpoenas to secure the attendance and testimony of witnesses and the production of books and papers relevant to such investigations and to any hearing before the board or any member thereof, or any officers' committee or employes' committee, appointed by the board to hear any complaint of an officer or employe who has been discharged or demoted.*

*(b) Any court of record of this Commonwealth, or any judge thereof, either in term time or vacation, upon application of the board or any member thereof may, in his discretion, compel the attendance of witnesses, the production of books and papers, and giving of testimony before the board or before any member thereof, or any officers' committee or employes' committee, appointed by the board by attachment for contempt or otherwise, in the same manner as the production of evidence may be compelled before said court.*

*Section 341. Aid from Federal Government.—In addition to the powers conferred upon any authority by other provisions of this article, such authority is empowered to borrow money or accept money or accept grants or other financial assistance from the Federal Government, for or in aid of its operations. It is the purpose and intent of this article to authorize the authority, and the authority is so authorized, to do any and all things necessary or desirable to secure the financial aid or cooperation of the Federal Government in any of its operations. Such things may include without limiting the generality of the foregoing: the power to change or revise rates, fares and charges; to make relocation payments to families, businesses and nonprofit organizations; to provide an area-wide transportation plan or program for the development of a comprehensive and coordinated mass transportation system for the metropolitan area; to carry out research, development and demonstration projects; to provide a share of the cost of any project; all as may be required by any Federal law or by the requirements of any Federal agency authorized to administer any Federal program of aid to any mass transportation program.*

*Section 342. Exemption from Taxation.—The effectuation of the authorized purposes of any authority created under this article shall and will be, in all respects, for the benefit of the people of the Commonwealth, for the increase of their commerce and prosperity and for the improvement of their health and living conditions, and since such authority will be performing essential governmental functions in effectuating such purposes, it shall not be required to pay any property taxes or assessments, of any kind or nature whatsoever, now in existence or to be enacted in the future, whether imposed by the Commonwealth or by any political subdivision thereof, or by any other taxing authority, and the bonds issued by such authority, their transfer, and the income therefrom (including any profits made on the*

*sale thereof), shall at all times be free from taxation within the Commonwealth.*

*Section 343. Limitation of Powers.—The Commonwealth does hereby pledge to and agree with any person, firm or corporation, or Federal agency subscribing to or acquiring the bonds to be issued by any authority for the construction, extension, improvement or enlargement of any project or part thereof, that the Commonwealth will not limit or alter the rights hereby vested in such authority until all bonds at any time issued, together with the interest thereon, are fully met and discharged. The Commonwealth does further pledge to and agree with the United States and any other Federal agency that, in the event that any Federal agency shall construct or contribute any funds for the construction, extension, improvement or enlargement of any project or any portion thereof, the Commonwealth will not alter or limit the rights and powers of the authority in any manner which would be inconsistent with the continued maintenance and operation of the project, or the improvement thereof, or which would be inconsistent with the due performance of any agreements between the authority and any such Federal agency, and the authority shall continue to have and may exercise all powers herein granted, so long as the same shall be necessary or desirable for the carrying out of the purposes of this article and the purposes of the United States in the construction or improvement or enlargement of the project or such portion thereof.*

#### ARTICLE IV TRANSITION AND MISCELLANEOUS PROVISIONS

*Section 401. Transfer of Powers, Appropriations, etc. from Pennsylvania Transportation Assistance Authority to Department of Transportation.—(a) All allocations, appropriations, agreements, leases, claims, demands and causes of action of any nature whether or not subject to litigation on the date of this act, equipment, files, records, classified data files, maps, air photographs and other material which are used, employed or expended in connection with the duties, powers or functions of the Pennsylvania Transportation Assistance Authority are hereby transferred to the Department of Transportation with the same force and effect as if the appropriations had been made to and said items had been the property of the Department of Transportation in the first instance and as if said contracts, agreements, leases and obligations had been incurred or entered into by the Department of Transportation.*

*(b) The power to allocate excess funds from one project to another, given to the Pennsylvania Transportation Assistance Authority in the following statutes is hereby transferred to the Department of Transportation, subject to the approval of the Secretary of the Budget:*

*(1) Section 2, act of April 13, 1976 (P.L.97, No.42), entitled "A supplement to the act of October 18, 1975 (P.L.408, No.112), entitled*

*'An act providing for the capital budget for the fiscal year 1975-1976,' itemizing a transportation assistance project to be acquired or constructed by the Pennsylvania Transportation Assistance Authority together with its estimated financial cost; authorizing the incurring of debt without the approval of the electors for the purpose of financing the project, stating the estimated useful life of the project, and making an appropriation.'*

(2) *Section 2, act of July 9, 1976 (P.L.570, No.138), entitled "A supplement to the act of July 9, 1976 (P.L.522, No.154), entitled 'An act providing for the capital budget for the fiscal year 1976-1977,' itemizing transportation assistance projects to be acquired or constructed by the Pennsylvania Transportation Assistance Authority together with their estimated financial cost; authorizing the incurring of debt without the approval of the electors for the purpose of financing the projects, stating the estimated useful life of the projects, and making an appropriation.'*

(3) *Section 2, act of July 4, 1979 (P.L.69, No.28), entitled "A supplement to the act of September 28, 1978 (P.L.787, No.151), entitled 'An act providing for the capital budget for the fiscal year 1978-1979,' itemizing transportation assistance projects to be acquired or constructed by the Pennsylvania Transportation Assistance Authority together with their estimated financial cost; itemizing transportation assistance projects to be acquired or purchased by the Pennsylvania Department of Transportation; authorizing the incurring of debt without the approval of the electors for the purpose of financing the projects, stating the estimated useful life of certain of the projects, and making an appropriation.'*

*Section 402. Continuation of Existing Law.—The provisions of this act, so far as they are the same as those of existing law, are intended as a continuation of such law and not as new enactments.*

*Section 403. Reorganization Plan.—(a) The governing bodies of all counties of the third class and second class A which are involved with any city of the first class in the operation of a mass transportation system together with the mayor of any city of the first class in consultation with the Governor shall submit to the Governor and the General Assembly a plan for the reorganization of any transportation authority created pursuant to the act of August 14, 1963 (P.L.984, No.450), known as the "Metropolitan Transportation Authorities Act of 1963," or this act within ninety days of the date of final enactment of this section. The reorganization plan shall contain a discussion of and recommendations concerning the following:*

- (1) the veto power invested in the transportation board;*
- (2) the difficulties occasioned by dual ownership of real and personal property by such authority and any city of the first class;*
- (3) the problems precipitated by the composition and structure of the transportation board; and*

*(4) any other issue reasonably related to the foregoing.*

*(b) If the reorganization plan is not submitted in accordance with subsection (a) no authority created pursuant to the "Metropolitan Transportation Authorities Act of 1963" shall continue to be eligible to receive any State funds.*

*Section 404. Appointment of New Officers.—The transportation board of any authority created pursuant to the act of August 14, 1963 (P.L.984, No.450), known as the "Metropolitan Transportation Authorities Act of 1963," or this act shall appoint a new counsel to the board and controller prior to June 30, 1980.*

*Section 405. Appropriations.—(a) The sum of \$5,360,000, or as much thereof as may be necessary, is hereby appropriated to the Southeastern Pennsylvania Transportation Authority for the exclusive purpose of maintaining and rehabilitating presently owned transit vehicles.*

*(b) The sum of \$2,600,000, or as much thereof as may be necessary, is hereby appropriated to the Port Authority of Allegheny County for the exclusive purpose of maintaining and rehabilitating presently owned transit vehicles.*

*(c) The sum of \$22,500 is hereby appropriated to the Westall Rail Transportation Authority in Westmoreland County to provide preliminary funding relating to the development of a light rail commuter service.*

*(d) The sum of \$665,000, or as much thereof as may be necessary, is hereby appropriated to the remaining transportation authorities for the exclusive purpose of maintaining and rehabilitating presently owned transit vehicles.*

*Section 406. Demand Response Entitlement Grants.—(a) Except for grants made for reduced fare service on local common carrier transportation systems in counties of the first and second class, the grants authorized under Article II, section 203(5)(ii) and (iii) shall be suspended for the fiscal years 1980-1981 and 1981-1982. In lieu of payment of such grants authorized under subparagraphs (ii) and (iii), the grants for such fiscal years shall be made directly to counties in such amount and for such purposes as is hereinafter provided:*

*(1) For the fiscal years 1980-1981 and 1981-1982 only, grants from the State Lottery Fund shall be made directly to all counties, except counties of the first and second class. The total amount to be granted by the department for each fiscal year shall be computed by multiplying the following dollar amount fixed for a person sixty-five years of age or older by the total number of all such elderly persons residing in all counties other than in counties of the first and second class; for the fiscal year 1980-1981, the dollar amount of the multiplier shall be \$9.50 per elderly person; and for the fiscal year 1981-1982, the dollar amount of the multiplier shall be \$4.75 per elderly person. Each county entitled to receive a grant under this paragraph shall have five years from the effective date of this act to apply for and receive such grant.*

*(2) The department, after determining the total dollar amount of the grant for each fiscal year, shall then apportion each such fiscal year amount by a fraction for each county, the numerator of which shall be the total number of persons sixty-five years of age or older residing within a particular county other than counties of the first and second class, and the denominator of which is the total number of persons sixty-five years of age or older residing in all of the counties other than counties of the first and second class. The amount thus apportioned for each county shall then be the grant entitlement for said county for each of said fiscal years, except that no county, by virtue of application of its apportionment fraction, shall receive less than a minimum of \$25,000 or a maximum of \$400,000 in the fiscal year 1980-1981 or less than a minimum of \$12,500 or a maximum of \$200,000 for the fiscal year 1981-1982. To aid the department in computing apportionment fractions, it shall be the duty of the Secretary of Aging to furnish to the department the latest statistical data then available on persons sixty-five years of age or older residing in such counties.*

*(3) Counties other than counties of the first and second class may obtain their share of the fiscal year grants by filing for each fiscal year with the department an application on a form prescribed by it. The department shall require with such application a transportation plan plus such other information as the department may require to establish to the satisfaction of the department that the county plans to provide an integrated transportation system on a free or reduced rate basis for those persons sixty-five years of age or older residing in such county. The grants made by the department shall be utilized by the county as follows:*

*(i) in counties where local mass transportation systems which provide shared ride public services now operate or where transportation services are established under the provisions of this section, losses resulting from providing such services shall be reimbursed from the counties' allocation using the reimbursement criteria outlined in Article II, section 203(5); and*

*(ii) expenditures incurred or to be incurred in the planning, developing and establishing of local transportation systems in a county for persons sixty-five years or older; or*

*(iii) expenditures incurred or to be incurred for the expansion or extension of now existing local mass transportation systems within a county for the purpose of providing transportation services for the elderly in those geographical areas of the county which are not serviced at all or are inadequately serviced by such system; or*

*(iv) expenditures incurred or to be incurred by the county for the planning, developing and establishing of a county transportation system and for the purchase, ownership, operation and maintenance of buses, vans or other passenger-type vehicles used for transporting within the county persons sixty-five years of age or older; or*

(v) *the grants made to counties for categories (ii), (iii) and (iv) may be used as matching funds to obtain State or Federal aid for the establishing, expanding or acquiring transportation systems in order to provide transportation for the elderly.*

(b) *The department shall have the authority to promulgate such rules and regulations as may be necessary to implement the purposes of this section. These rules and regulations shall include provisions to prevent the duplication of existing transportation services. Such regulations, in accordance with the provisions of the act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of 1929," shall not take effect until the same are submitted to the Department of Aging for comment.*

(c) *Upon the termination of the fiscal year 1981-1982, no further grants shall be made directly to the counties under this paragraph: Provided, however, That no county receiving a fiscal year grant under this paragraph shall forfeit such grant or be denied subsequent fiscal year grants solely on the basis that the county has failed within either the fiscal year 1980-1981 or 1981-1982 to fully and completely implement its transit system for the elderly, it being the intent of the General Assembly to provide each county five years from the effective date of this act in which to phase in and make operational some type of transit system for the elderly. In the event that any county fails within such five years to provide some type of an operational transit system for the elderly, any unspent and unencumbered grant moneys made to the counties for the fiscal years 1980-1981 or 1981-1982 shall be returned through the Department of Transportation for deposit in the State Lottery Fund for use in the grant program provided in section 203(5) or for other senior citizens programs.*

*Section 407. Repeals.—The following acts are repealed:*

*Act of August 14, 1963 (P.L.984, No.450), known as the "Metropolitan Transportation Authorities Act of 1963."*

*Act of January 22, 1968 (P.L.27, No.7), known as "The Pennsylvania Transportation Assistance Authority Act of 1967."*

Section 4. Except for section 204 of Article II, which shall take effect January 1, 1981, this act shall take effect immediately.

APPROVED—This 10th day of July, 1980, except as to the following:

#### **ARTICLE IV TRANSITION AND MISCELLANEOUS PROVISIONS**

\* \* \*

*Section 405. Appropriations.—(a) The sum of \$5,360,000, or as much thereof as may be necessary, is hereby appropriated to the Southeastern Pennsylvania Transportation Authority for the exclusive purpose of maintaining and rehabilitating presently owned transit vehicles.*

***(b) The sum of \$2,600,000, or as much thereof as may be necessary, is hereby appropriated to the Port Authority of Allegheny County for the exclusive purpose of maintaining and rehabilitating presently owned transit vehicles.***

I withhold my approval from these two items due to insufficient revenues.

***(c) The sum of \$22,500 is hereby appropriated to the Westall Rail Transportation Authority in Westmoreland County to provide preliminary funding relating to the development of a light rail commuter service.***

This item is approved in the sum of \$13,000. I withhold my approval from the balance of this item due to insufficient revenues.

***(d) The sum of \$665,000, or as much thereof as may be necessary, is hereby appropriated to the remaining transportation authorities for the exclusive purpose of maintaining and rehabilitating presently owned transit vehicles.***

I withhold my approval from this item due to insufficient revenues.

DICK THORNBURGH