

No. 2002-230

AN ACT

SB 1100

Amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, providing for acceptance of gifts or donations; further providing for powers and duties of the Municipal Police Officers' Education and Training Commission; prohibiting political activity by municipal police officers; further providing, in parking authorities, for definitions, for purposes and powers and for special provisions for authorities in first class cities; providing, in parking authorities in first class cities, for additional special provisions, for management of authority funds, for special funds, for bonds, for contracts with authority obligees, for Commonwealth pledges, for bond and trust indentures, for funds collected, for bonds as legal investments, for pledge validity, for security interests in funds and accounts and for bankruptcy limitations; further providing for municipal authority governing bodies and money; providing for regulation of taxicabs and limousines in first class cities; further providing for governing body of municipal authorities and for certain fiscal reporting; codifying the act of June 27, 1986 (P.L.267, No.70), known as the Pennsylvania Convention Center Authority Act; defining "expansion or substantial renovation"; further providing for purposes and powers and for capital and operating budgets; providing for expansion funding; further providing for governing board, for moneys of the authority, for award of contracts, for interests of public officers and for rental tax; making an appropriation; and making repeals.

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

Section 1. Chapter 13 of Title 53 of the Pennsylvania Consolidated Statutes is amended by adding a subchapter to read:

SUBCHAPTER G
MISCELLANEOUS PROVISIONS

Sec.

1391. Acceptance of gifts or donations.

§ 1391. Acceptance of gifts or donations.

(a) General rule.—In addition to all other powers conferred by law, a municipality may receive in trust, and its governing body may control for the purposes of the trust, all estate, moneys, assets and property, real and personal, which may have been or shall be bestowed upon it by donation, gift, legacy, endowment, bequest, devise, conveyance or other means, for benevolent, health, civic or other public purposes, for charitable purposes of whatever kind or nature and for any other purpose beneficial to the municipality and its residents.

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

"Governing body." The council in cities, boroughs and incorporated towns, the board of commissioners in counties and townships of the first

class, the board of supervisors in townships of the second class or the legislative policymaking body in home rule municipalities.

“Municipality.” A county, city, borough, incorporated town, township or home rule municipality.

Section 1.1. Section 2164(1) of Title 53 is amended to read:

§ 2164. Powers and duties of commission.

The powers and duties of the commission shall be as follows:

(1) To establish and administer the minimum courses of study for basic and in-service training for police officers and to revoke an officer’s certification when an officer fails to comply with the basic and in-service training requirements or is convicted of a criminal offense or the commission determines that the officer is physically or mentally unfit to perform the duties of his office *or determines that a police officer subject to section 2166.1 (relating to prohibition on political activity) has engaged or participated in the conducting of political or election campaign activity in violation of that section.*

* * *

Section 2. Title 53 is amended by adding a section to read:

§ 2166.1. *Prohibition on political activity.*

A police officer as defined in section 2162 (relating to definitions) who is subject to civil service under the provisions of a statute, law or home rule charter and who is certified under this subchapter may not engage or participate in the conducting of any political or election campaign otherwise than to exercise the police officer’s own right of suffrage.

Section 3. Section 5503 of Title 53 is amended by adding definitions to read:

§ 5503. Definitions.

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

* * *

“Cash flow deficit.” A cash deficit occurring solely because revenues and expenditures, even when in balance on a fiscal year basis or with respect to any other period of computation, are not received and disbursed at equivalent rates throughout the fiscal year or other period of computation.

* * *

“Federal agency.” The Federal Government, the President of the United States and any department or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the Federal Government.

“Government agency.” The Governor, departments, boards, commissions, authorities and other officers and agencies of this Commonwealth, including, but not limited to, those which are not subject to the policy supervision and control of the Governor, any political

subdivision, municipality, municipal or other local authority and any officer or agency of any such political subdivision or local authority. The term does not include any court or other officer or agency of the unified judicial system or the General Assembly or its officers and agencies.

“Government obligations.”

(1) Direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the Federal Government, including, but not limited to, evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the Federal Government, which obligations are held in a custody account by a custodian under the terms of a custody agreement.

(2) The term includes obligations issued by any state of the United States or any political subdivision, public instrumentality or public authority of any state of the United States, provision for the full and timely payment of the principal or premium of and interest on which shall have been made by deposit with a trustee or escrow agent under an irrevocable security agreement of obligations described in paragraph (1).

“Obligee of an authority.” *Any holder or owner of any bond of an authority or any trustee or other fiduciary for any such holder or any provider of a letter of credit, policy of municipal bond insurance or other credit enhancement or liquidity facility for bonds of an authority.*

“Qualified financial institution.” *A bank, bank and trust company, trust company, national banking association, insurance company or other financial services company whose unsecured long-term debt obligations in the case of a bank, trust company, national banking association or other financial services company or whose claims-paying abilities in the case of an insurance company are rated in any of the three highest rating categories without reference to subcategories by a rating agency. For purposes of this definition, the term “financial services company” includes any investment banking firm or any affiliate or division thereof which may be legally authorized to enter into the transactions described in this chapter pertaining, applicable or limited to a qualified financial institution.*

“Rating agency.”

(1) The term includes the following:

- (i) Standard & Poor’s Corporation and any successor thereto.*
- (ii) Moody’s Investors Service and any successor thereto.*
- (iii) Fitch Investors Service, Inc., and any successor thereto.*

(2) If the rating agencies cited in paragraph (1) shall no longer perform the functions of a securities rating service, the term shall mean any other nationally recognized rating service or services.

Section 4. Section 5505(d)(9) of Title 53 is amended and the subsection is amended by adding paragraphs to read:

§ 5505. Purposes and powers.

* * *

(d) Powers.—An authority has all powers necessary or convenient for the carrying out of the purposes under this section, including:

* * *

(9) To fix, alter, charge and collect rates and other charges for its facilities at reasonable rates to be determined exclusively by it, subject to appeal under this paragraph, for the purposes of providing for the payment of the expenses of the authority; for the construction, improvement, repair, maintenance and operation of its facilities and properties; for the payment of the principal of and interest on its obligations; and for fulfilling the terms and provisions of agreements made with the purchasers or holders of such obligations or with the municipality. Any person questioning the reasonableness of rates fixed by the authority may bring suit against the authority in the court of common pleas of the judicial district where the project is located. The court of common pleas shall have exclusive jurisdiction to determine the reasonableness of the rates and other charges. *This paragraph supersedes a contrary provision in any home rule charter, ordinance or resolution.*

* * *

(22) *In cities of the first class, to serve as the exclusive impoundment official, exclusive impounding agent or exclusive towing agent for the enforcement of impoundment orders pursuant to 75 Pa.C.S. Ch. 63 (relating to enforcement) and to authorize towing and storage of vehicles and combinations by private towing agents for such purpose as necessary.*

(23) *In cities of the first class, to act as an independent administrative commission for the regulation of taxicabs and limousine service.*

(24) *In cities of the first class, to investigate and examine the condition and management of any entity providing taxicab and limousine service.*

Section 5. Section 5508.1(k) and (o) of Title 53 are amended to read:
§ 5508.1. Special provisions for authorities in cities of the first class.

* * *

(k) Compensation.—

(1) The chair selected under subsection (l) shall receive:

(i) *for fiscal year 2001-2002, a salary of \$50,000 [per annum, and the other]; and*

(ii) *for each subsequent fiscal year, a salary to be determined by the board at not less than \$50,000.*

(2) *Except for the chair*, members shall receive \$200 per meeting for their services.

(3) Board members shall be entitled to necessary expenses, including travel expenses, incurred in the discharge of duties.

* * *

(o) Management.—

(1) The board has authority to manage the properties and business of the authority and to prescribe, amend and repeal bylaws, rules and regulations governing the manner in which the business of the authority may be conducted and in which the powers granted to it may be exercised and embodied.

(2) *For all budgets, contracts, bonds or obligations of any kind commenced after January 1, 2003, the authority shall not be required to obtain the approval of an entity or officer under 351 Pa. Code Art. II (relating to legislative branch) or III (relating to executive and administrative branch—organization).*

* * *

Section 6. Title 53 is amended by adding sections to read:

§ 5508.2. *Additional special provisions for authorities in cities of the first class; mixed-use projects.*

(a) *Scope.—This section applies only to cities of the first class.*

(b) *Legislative finding.—It is hereby determined and declared that:*

(1) *As a matter of legislative finding, the health, safety and general welfare of the people of this Commonwealth are directly dependent upon the continual encouragement, development, growth and expansion of business, industry, commerce and tourism.*

(2) *Unemployment, the spread of poverty and the heavy burden of public assistance and unemployment compensation can be avoided by the promotion, attraction, stimulation, development and expansion of business, industry, commerce and tourism in this Commonwealth through the development of mixed-use projects by parking authorities in cities of the first class.*

(3) *Due to the size, total population and population density of a city of the first class, it may be inefficient to devote property within a city of the first class solely to parking facilities and that development of mixed-use projects that include a parking component and a commercial, industrial, residential or retail component can be an important factor in the continual encouragement, development, attraction, stimulation, growth and expansion of business, industry, commerce and tourism within a city of the first class, the surrounding counties and this Commonwealth as a whole.*

(c) *Mixed-use projects.—Without limiting the powers set forth in section 5505 (relating to purposes and powers), an authority shall have the power to do all acts that, in the judgment of the board, are necessary, convenient or useful to the development or operation of one or more*

mixed-use projects, including, without limitation, the power to plan, design, locate, acquire, hold, construct, finance, improve, maintain, operate, own, lease, either in the capacity of lessor or lessee, land, buildings, other structures and personal property necessary, convenient or useful to the development and operation of a mixed-use project. An authority shall have the power to finance mixed-use projects by borrowing money and making and issuing bonds and by making loans which may be evidenced by and secured as may be provided in loan agreements, mortgages, security agreements or any other contracts, instruments or agreements which may contain such provisions as the authority shall deem necessary, convenient or useful for the security or protection of the authority or its bondholders. An authority may pledge, mortgage, hypothecate or otherwise encumber all or any part of its property, real or personal, constituting all or part of a mixed-use project, including, but not limited to, the revenues or receipts of the authority from one or more mixed-use projects, for all or any of the obligations, including bonds, of the authority incurred in connection with the development or operation of a mixed-use project. An authority shall not have the power to engage in business, trade or commerce for a profit as an owner or lessee of a mixed-use project or otherwise. An authority shall have and may exercise the powers set forth in this section notwithstanding any other provision of law or any provisions of its articles of incorporation.

(d) Definition.—As used in this section, the term “mixed-use project” means any project that includes a public parking garage component and a commercial, industrial, residential or retail component. In addition to a public parking garage, which shall be a required component of all mixed-use projects, a mixed-use project may also include public parking lots. The commercial, industrial, residential or retail component of a mixed-use project must be located within, above, below or contiguous to the parking garage.

§ 5510.1. Management of authority funds in cities of the first class.

(a) General rule.—

(1) Except as otherwise provided in this chapter, all funds of an authority received from any source shall be delivered to the treasurer of the authority or to such other agent of the authority as the board may designate.

(2) The funds shall be promptly deposited in the name of the authority in a bank or banks, bank and trust company or bank and trust companies, trust company or trust companies in this Commonwealth chosen by the authority.

(3) The moneys in the account or accounts may be withdrawn or paid out only by check or draft upon the bank, bank and trust company or trust company, signed by the treasurer or other designated agent of the authority on warrant of the treasurer of the authority and countersigned by the chairman of the board or by such persons as the

board may authorize. Moneys in the account or accounts may be withdrawn or paid out by electronic funds transfer on instructions signed and countersigned in the manner provided for checks or drafts.

(4) The board may designate any of its members or any officer or employee 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 executive director may designate any officer or employee 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) Management of funds.—

(1) All bank, bank and trust company or trust company balances of the authority, to the extent the same are not insured, shall be continuously secured by a pledge of direct obligations of the United States, 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, bank and trust company or trust company. The securities shall either be deposited with the treasurer of the authority or be held by a trustee or agent satisfactory to the authority. All depository institutions are authorized to give security for the deposits.

(2) In the case of money collected or received by the authority on behalf of a municipality under section 5505(d)(21) (relating to purposes and powers), the money shall be pledged to the use of the municipality and disbursed to the municipality as provided by ordinance or resolution.

(3) Subject to the provisions of any agreements with obligees of the authority, the authority shall have full power to invest and reinvest its funds as provided in this chapter, subject, however, to the exercise of that degree of judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence who are familiar with such matters exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of the funds, considering the probable income to be derived and the probable safety of the capital.

(4) The board shall provide for an investment program subject to restrictions contained in this chapter and in any other applicable statute and any resolutions on this subject adopted by the board.

(c) Authorized investments.—The authorized types of investments for authority funds shall be any of the following:

(1) Government obligations.

(2) Debt obligations issued by any of the following Federal agencies or such other like Federal agencies which may be designated by the board: Bank for Cooperatives, Federal Farm Credit Banks,

Federal Financing Bank, Federal Home Loan Bank System, Federal National Mortgage Association, Export-Import Bank of the United States, Farmers Home Administration, Resolution Funding Corporation, Small Business Administration, Student Loan Marketing Association, Inter-American Development Bank, International Bank for Reconstruction and Development, Federal Land Banks or Government National Mortgage Association, and their predecessor or successor agencies.

(3) Short-term or long-term debt obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision or of any municipal corporation, provided that the obligations are rated by a rating agency in any of the three highest rating categories, without reference to subcategories, assigned by the rating agency.

(4) Rights to receive the principal of or the interest on obligations of states, political subdivisions, agencies or instrumentalities meeting the requirements set forth in paragraphs (2) and (3), whether through direct ownership as evidenced by physical possession of the obligations or unmatured interest coupons or by registration as to ownership on the books of the issuer or its duly authorized paying agent or transfer agent or through the purchase of certificates or other instruments evidencing an undivided ownership interest in payments of the principal of or interest on the obligations.

(5) Negotiable and nonnegotiable certificates of deposit, time deposits or other similar banking arrangements which are issued by banks, bank and trust companies, trust companies or savings and loan associations, provided that, unless issued by a qualified financial institution, any such certificate, deposit or other arrangement shall be continuously secured as to principal in the manner and to the extent provided in subsection (d).

(6) Repurchase agreements for investment securities described in paragraph (1) or (2) with a qualified financial institution or with dealers in government bonds which report to, trade with and are recognized as primary dealers by a Federal Reserve Bank and are members of the Securities Investors Protection Corporation, provided that the repurchase price payable under any agreement shall be continuously secured in the manner and to the extent provided in subsection (d).

(7) Investment agreements with qualified financial institutions.

(8) Commercial paper rated in the highest rating category, without reference to subcategories, by a rating agency.

(9) Shares or certificates in any short-term investment fund rated in the highest rating category, without reference to subcategories, by a rating agency, which short-term investment fund invests solely in obligations described in paragraphs (1) and (2).

(10) Debt obligations of any foreign government or political subdivision thereof or any agency or instrumentality of foreign government or political subdivision, provided that the obligations are rated by a rating agency, without reference to subcategories, in the highest rating category assigned by the rating agency.

(11) Such other investments which at the time of the acquisition thereof shall be listed as permissible investments for trust funds in an indenture or resolution with respect to indebtedness which is incurred under this chapter.

(d) Security for investment securities.—Any security required to be maintained as collateral for investment securities in the form of certificates of deposit, time deposits, other similar banking arrangements and repurchase agreements described in subsection (c)(5) and (6) shall be subject to the following requirements:

(1) The collateral shall be in the form of obligations described in subsection (c)(1) and (2), except that the security for certificates of deposit, time deposits or other similar banking arrangements may include other marketable securities which are eligible as security for trust funds under applicable regulations of the Comptroller of the Currency of the United States of America or under applicable state laws and regulations.

(2) The collateral shall have an aggregate market value, calculated not less frequently than monthly, at least equal to the principal amount (less any portion insured by the Federal Deposit Insurance Corporation or any comparable insurance corporation chartered by the United States of America) or the repurchase price secured thereby, as the case may be. The instruments governing the issuance of and security for the Investment Securities shall designate the person responsible for making the foregoing calculations.

(3) The authority shall have a perfected security interest in the collateral securing certificates of deposit, time deposits or other similar banking arrangements, and the collateral shall be held free and clear of the claims of third parties. The collateral shall be deposited with the authority, with a Federal Reserve Bank for the account of the authority or with a bank, bank and trust company or trust company (other than the obligor) which is acting solely as agent for the authority and has a combined net capital and surplus equal to at least \$100,000,000.

(4) Collateral for repurchase agreements shall be held free and clear of the claims of third parties by the authority, or by a Federal Reserve Bank for the account of the authority, or by a bank, bank and trust company or trust company which is acting solely as agent for the authority and has a combined net capital and surplus at least equal to \$100,000,000. A perfected first priority security interest for the benefit of the authority shall be created in the collateral under Title 13

(relating to commercial code) or book-entry procedures prescribed by applicable Federal regulations.

(e) Audit.—*An authority shall have at least an annual examination of its books, accounts and records by a certified public accountant. A copy of the audit shall be delivered to the parent municipality, the Governor, the Secretary of the Senate and the Chief Clerk of the House of Representatives. If the authority fails to have an audit, then the controller, auditor or accountant designated by the municipality is authorized to perform an examination at the expense of the authority. The examination may include the receipts, disbursements, contracts, leases, sinking funds, investments and other matters relating to the finances, operation and affairs of the authority.*

(f) Financial statement.—*A concise financial statement shall be published annually at least once in a newspaper of general circulation in the municipality where the principal office of the authority is located. If publication is not made by the authority, the municipality shall publish such statement at the expense of the authority.*

(g) Attorney General.—*The Attorney General shall have the right to examine the books, accounts and records of an authority.*

(h) Applicability.—*This section shall only apply to authorities in cities of the first class.*

§ 5510.2. Special funds in cities of the first class.

(a) General rule.—*An authority, under resolutions adopted from time to time by the board, may establish and create such 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 provide for the custody, disbursement and application of any moneys in any such special funds consistent with the provisions of this chapter and consistent with generally accepted accounting principles. The authority shall maintain the First Class City Taxicab Regulatory Fund as a separate fund from all other funds.*

(b) Applicability.—*This section shall only apply to authorities in cities of the first class.*

§ 5510.3. Bonds in cities of the first class.

(a) General rule.—

(1) The bonds of the authority shall be authorized by resolution of the board. The resolution shall specify all of the following:

(i) Series.

(ii) Date or dates of maturity.

(iii) Interest at such rate or rates, fixed or variable, as shall be determined by the board as necessary to issue and sell the authorized bonds.

(iv) Denominations.

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

- (vi) *Certificated or book-entry-only form.*
 - (vii) *Registration and exchangeability and interchangeability privileges.*
 - (viii) *Medium of payment and place of payment.*
 - (ix) *Terms of redemption.*
 - (x) *Priorities of payment in the revenues or receipts of the authority as the resolution or trust indenture adopted or approved by the authority may provide.*
- (2) *The bonds shall be signed by or shall bear the facsimile signatures of such officers as the board shall determine, and coupon bonds shall have attached thereto interest coupons bearing the facsimile signature of the treasurer of the authority, and all bonds shall be authenticated by an authenticating agent, fiscal agent or trustee, all as may be prescribed in the resolution or trust indenture.*
- (3) *Any such bonds may be issued and delivered notwithstanding that one or more of the officers signing bonds or the treasurer whose facsimile signature shall be upon the coupon, or any thereof, shall have ceased to be an officer or officers at the time when the bonds shall actually be delivered.*
- (4) *The proceeds of an issue of bonds may be used to pay the costs of a project, subject to the limitations of subsection (b), to finance any cash flow deficit of the authority, to reimburse any costs of a project initially paid by the authority or any person, to fund any required reserves, to capitalize interest or to pay costs of issuance, including, but not limited to, costs of obtaining credit enhancement for the bonds.*
- (b) *Maturity.—Bonds issued to finance the costs of a project shall mature at such time or times not exceeding 40 years from their respective dates of original issue as the authority shall by resolution determine. Bonds issued in anticipation of income of the authority shall mature within one fiscal year after the fiscal year of the date of issuance thereof except for bonds issued in anticipation of grants with respect to the cost of a project, which bonds shall mature no later than six months beyond the time of anticipated receipt of the final payment of the grant.*
- (c) *Sale.—*
- (1) *Bonds may be sold at public sale or invited sale for such price or prices and at such rate or rates of interest as the authority shall determine. Bonds may be sold at private sale by negotiation at such price or prices and at such rate or rates of interest as the authority shall determine, but only if the authority makes a written public explanation of the circumstances and justification for the private sale by negotiation.*
 - (2) *Pending the preparation of the definitive bonds, interim receipts may be issued to the purchaser or purchasers of such bonds and may contain such terms and conditions as the authority may determine.*

(d) Negotiable instruments.—*Bonds of an authority shall have the qualities of negotiable instruments under Title 13 (relating to commercial code).*

(e) Refunding.—

(1) *Subject to the provisions of the outstanding bonds, notes or other obligations issued under this chapter or prior acts and subject to the provisions of this chapter, the authority shall have the right and power to refund any outstanding debt, whether the debt represents principal or interest, in whole or in part, at any time.*

(2) *As used in this subsection, “refund” and its variations shall mean the issuance and sale of obligations the proceeds of which are used or are to be used for the payment or redemption of outstanding obligations upon or prior to maturity. Refunding bonds shall mature at such time or times not exceeding 40 years from their dates of original issuance as the authority shall determine by resolution.*

(f) Credit of Commonwealth and political subdivisions not pledged.—*Under no circumstances shall any bonds issued by the authority or any other obligation of the authority be or become an indebtedness or liability of the Commonwealth or of any government agency, provided that any government agency may guarantee bonds of an authority to the extent and for the purposes for which the government agency may make loans or grants to an authority.*

(g) Nonliability.—*Neither the board members, any employees of the authority nor any person executing the bonds shall be liable personally on any bonds by reason of the issuance thereof. Bonds of an authority shall contain a statement of the limitation set forth in this subsection.*

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

(i) Notice and challenges.—

(1) *The authority may cause a copy of any resolution authorizing the issuance of bonds adopted by it to be filed for public inspection in its office and in the office of the clerk of the governing body of each county and the governing body of a city of the first class and may thereupon cause to be published in a newspaper published or circulating in its service area a notice stating the fact and date of the adoption, the places where the resolution has been so filed for public inspection, the date of publication of the notice and that any action or proceeding of any kind or nature in any court questioning the validity or proper authorization of bonds provided for by the resolution or the validity of any covenants, agreements or contract provided for by such resolution shall be commenced within 20 days after the publication of the notice.*

(2) If any notice shall at any time be published and if no action or proceeding questioning the validity or proper authorization of bonds provided for by the resolution or the validity of any covenants, agreements or contract provided for by such resolution shall be commenced within 20 days after the publication of the notice, then all residents, taxpayers and owners of property in a city of the first class and all other persons whatsoever shall be forever barred and foreclosed from instituting or commencing any action or proceeding in any court or pleading any defense to any action or proceedings questioning the validity or proper authorization of such bonds or the validity of any such covenants, agreements or contracts, and said bonds, covenants, agreements and contracts shall be conclusively deemed to be valid and binding obligations in accordance with their terms and tenor.

(3) After issuance of bonds, all bonds shall be conclusively presumed to be fully authorized and issued by all the laws of this Commonwealth, and any person shall be estopped from questioning their sale, execution or delivery by the authority.

(j) Applicability.—This section shall only apply to authorities in cities of the first class.

§ 5510.4. Contracts with obligees of an authority in cities of the first class.

(a) General rule.—Except as otherwise provided in any resolution of an authority authorizing or awarding bonds, the terms thereof and of this chapter as in effect when the bonds were authorized shall constitute a contract between the authority and obligees of the authority, subject to modification in such manner as the resolution, the trust indenture securing such bonds or the bonds shall provide.

(b) Applicability.—This section shall only apply to authorities in cities of the first class.

§ 5510.5. Commonwealth pledges in cities of the first class.

(a) General rule.—The Commonwealth does hereby pledge to and agree with:

(1) Any person, firm or corporation, government agency, whether in this Commonwealth or elsewhere, or Federal agency subscribing to or acquiring the bonds to be issued by the authority that the Commonwealth will not limit or alter the rights hereby vested in the authority in any manner inconsistent with the obligations of the authority to the obligees of the authority until all bonds at any time issued, together with the interest thereon, are fully paid or provided for. The Commonwealth does further pledge to and agree with any Federal agency that, in the event that any Federal agency shall contribute any funds for the authority or any project, the Commonwealth will not alter or limit the rights and powers of the authority in any manner which would be inconsistent with the due

performance of any agreements between the authority and any Federal agency.

(2) Any person who, as owner thereof, leases or subleases property to or from an authority that the Commonwealth will not limit or alter the rights and powers hereby vested in the authority or otherwise created by this chapter in any manner which impairs the obligations of the authority until all obligations of the authority under the lease or sublease are fully met and discharged.

(b) Applicability.—This section shall only apply to authorities in cities of the first class.

§ 5510.6. Provisions of bonds and trust indentures in cities of the first class.

(a) General rule.—In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment of the bonds and obligations, the authority, in addition to its other powers, shall have the power to:

(1) Pledge or grant a security interest, senior, parity or subordinated, in all or any part of its revenues, to which its right then exists or may thereafter come into existence.

(2) Grant a lien on or a security interest, senior,¹ parity or subordinated, in all or any part of its real or personal property then owned or thereafter acquired. This paragraph does not apply to the First Class City Taxicab Regulatory Fund.

(3) Provide for the issuance of unsecured bonds, limited recourse bonds or nonrecourse bonds.

(4) Enter into trust indentures securing bonds, including, but not limited to, master trust indentures.

(5) Covenant against pledging or granting a lien on or security interest in all or any part of its revenues or 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 the revenues or property, covenant with respect to limitations on its right to sell, lease or otherwise dispose of any of its real property and covenant as to which other or additional debts or obligations may be incurred by it.

(6) 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, provide for the replacement of lost, destroyed or mutilated bonds, covenant against extending the time for the payment of its bonds or interest thereon and covenant for the redemption of bonds and provide the terms and conditions thereof.

(7) Covenant as to the amount of revenues to be raised in each fiscal year or other period of time by the authority as well as to the use

¹"interest in, senior," in enrolled bill.

and disposition to be made thereof, create or authorize the creation of special funds for debt service or other purposes and covenant as to the use and disposition of the moneys held in such funds.

(8) Prescribe the procedure, if any, by which the terms of any contract with obligees of the authority may be supplemented, amended or abrogated, prescribe which supplements or amendments will require the consent of obligees of the authority and the amount of bonds to be held by obligees to effect such consent and prescribe the manner in which such consent may be given.

(9) Covenant as to the use of any or all of its real or personal property, warrant its title and 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 proceeds.

(10) Covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant, condition or obligation.

(11) Vest in the obligees of the authority or any proportion of them the right to enforce the payment of the bonds or any covenants securing or relating to the bonds, vest in a trustee the right in the event of default by the authority to take possession and use, operate and manage any real or personal 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, provide for the powers and duties of a trustee and to limit liabilities thereof and provide the terms and conditions upon which the trustee or the obligees of the authority or any proportion of them may enforce any covenant or rights securing or relating to the bonds.

(12) Negotiate and enter into interest rate exchange agreements, interest rate cap, collar, corridor, ceiling and floor agreements, forward agreements, float agreements and other similar arrangements which, in the judgment of the authority, will assist the authority in managing the interest costs of the authority.

(13) Obtain letters of credit, bond insurance and other facilities for credit enhancement and liquidity.

(14) Exercise all or any part or combination of the powers granted in this section to make covenants other than and in addition to the covenants expressly authorized in this section, 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 chapter by making the bonds more marketable, notwithstanding that such covenants, acts or things may not be specifically enumerated in this section.

(15) The revenues of the authority and the real and tangible personal property of the authority shall be pledged or otherwise encumbered only as expressly provided in this section and, except to

the extent necessary to effectuate such pledge or encumbrance, shall not be subject to attachment nor levied upon by execution or otherwise.

(b) Applicability.—This section shall only apply to authorities in cities of the first class.

§ 5510.7. Funds collected on behalf of a municipality.

(a) General rule.—Funds collected or received by the authority on behalf of a municipality under section 5505(d)(21) (relating to purposes and powers) shall not be deemed to constitute revenues and receipts of the authority under this chapter or be subject to any debt or obligation of the authority.

(b) Applicability.—This section shall only apply to authorities in cities of the first class.

§ 5510.8. Bonds to be legal investments.

(a) General rule.—Bonds issued under this chapter are hereby made securities in which all public officers and the instrumentalities and agencies of the Commonwealth and its political subdivisions, all insurance companies, banks, bank and trust companies, trust companies, banking associations, banking corporations, savings banks, investment companies, executors, trustees, the trustees of any retirement, pension or annuity fund or system of the Commonwealth and other fiduciaries may properly and legally invest funds, including capital, deposits or other funds in their control or belonging to them. These bonds are hereby made securities which may properly and legally be deposited with and received by any Commonwealth or municipal officer or any agency or instrumentality or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth now or may hereafter be authorized by law.

(b) Applicability.—This section shall only apply to authorities in cities of the first class.

§ 5510.9. Validity of pledge.

(a) General rule.—Any pledge of or grant of a lien on or security interest in revenues of an authority or real or personal property of an authority made by an authority shall be valid and binding from the time when the pledge is made, the revenues or other property so pledged and thereafter received by the authority making such pledge shall immediately be subject to the lien of any such pledge, lien or security interest without any physical delivery thereof or further act, and the lien of any such pledge or security interest shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether the parties have notice thereof. Neither the resolution nor any other instrument of the authority by which a pledge, lien or security interest is created need be recorded or filed to perfect such pledge or security interest.

(b) Applicability.—This section shall only apply to authorities in cities of the first class.

§ 5510.10. Security interest in funds and accounts.

(a) General rule.—Any moneys deposited in any fund created by the authority pledged to be used to pay debt service on bonds of the authority, including any sinking fund or debt service reserve fund, and all investments and proceeds of investments thereof shall, without further action or filing, be subjected to a perfected security interest for the obligees of the authority with respect to the bonds until such moneys or investments shall be properly disbursed in accordance with this chapter and subject to the terms of any trust indenture or other contract between the authority and the obligees of the authority with respect to the bonds.

(b) Applicability.—This section shall only apply to authorities in cities of the first class.

§ 5510.11. Limitation on authority under Federal bankruptcy code.

(a) General rule.—So long as an authority shall have outstanding any bonds issued under this chapter, the authority shall not be authorized to file a petition for relief under 11 U.S.C. Chapter 9 (relating to adjustment of debts of a municipality), and no public officer or agency or instrumentality of the Commonwealth shall authorize the authority to become a debtor under 11 U.S.C. Chapter 9 so long as any bonds issued under this chapter are outstanding.

(b) Applicability.—This section shall only apply to authorities in cities of the first class.

Section 6.1. Sections 5610(b) and 5612(b) of Title 53 are amended to read:

§ 5610. Governing body.

* * *

(b) Residency.—

(1) Except as provided for in subsection (c), the members of the board, each of whom shall be a taxpayer in, maintain a business in or be a citizen of the municipality by which he is appointed or be a taxpayer in, maintain a business in or be a citizen of a municipality into which one or more of the projects of the authority extends or is to extend or to which one or more projects has been or is to be leased, shall be appointed, their terms fixed and staggered and vacancies filled pursuant to the articles of incorporation or the application of membership under section 5604 (relating to municipalities withdrawing from and joining in joint authorities). Where two or more municipalities are members of the authority, they shall be apportioned pursuant to the articles of incorporation or the application for membership under section 5604. Except for special service districts located in whole or in part in cities of the first class or as provided in paragraph (2), a majority of an authority's board members shall be citizens residing in the incorporating municipality or incorporating municipality or incorporating

municipalities of the authority. *In the case of a municipality which is a town, the requirement of maintaining a business is satisfied if the individual at any time has maintained a business.*

(2) Each member of the board of a business improvement district authority [that was] established by a [borough] *municipality* pursuant to the act of May 2, 1945 (P.L.382, No.164), known as the Municipality Authorities Act of 1945, [on or before the effective date of this paragraph] *or pursuant to this title, or each member of the board of a neighborhood improvement district management association (NIDMA) authority established by a municipality pursuant to the act of December 20, 2000 (P.L.949, No.130), known as the Neighborhood Improvement District Act,* shall be a taxpayer in, maintain a business in or be a citizen of the [borough] *municipality* by which that member is appointed.

* * *

§ 5612. Money of authority.

* * *

(b) Report.—Every authority whose fiscal year ends December 31 shall file on or before July 1 an annual report of its fiscal affairs covering the preceding calendar year with the Department of Community and Economic Development and with the municipality creating the authority on forms prepared and distributed by the Department of Community and Economic Development. Authorities whose fiscal year does not end on December 31 shall file the report within 90 days after the end of their fiscal year. Every authority shall have its books, accounts and records audited annually by a certified public accountant, and a copy of his audit report shall be filed in [the same manner and within the same time period as the annual report] *the authority office for the purpose of public review and in the office of the municipality or municipalities that created the authority.* A concise financial statement shall be published annually at least once in a newspaper of general circulation in the municipality where the principal office of the authority is located. If the publication is not made by the authority, the municipality shall publish such statement at the expense of the authority. If the authority fails to make such an audit, then the controller, auditor or accountant designated by the municipality is hereby authorized and empowered from time to time to examine at the expense of the authority the accounts and books of it, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its finances, operation and affairs.

* * *

Section 7. Title 53 is amended by adding chapters to read:

CHAPTER 57

TAXICABS AND LIMOUSINES IN FIRST CLASS CITIES

Subchapter

- A. General Provisions
- B. Taxicabs
- C. Limousines

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

- 5701. Definitions.
- 5702. Advisory committee.
- 5703. Rates.
- 5704. Power of authority to require insurance.

§ 5701. Definitions.

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

“Authority.” A parking authority in a city of the first class.

“First Class City Taxicab Regulatory Fund” or “fund.” A fund administered by the authority to which all moneys collected pursuant to the requirements of this chapter shall be deposited and from which all expenses and costs associated with administration and enforcement of this chapter shall be paid. Money deposited in the fund shall not be used for any purpose not specified in this chapter.

“Limousine service.” Local, nonscheduled common carrier service for passengers on an exclusive basis for compensation. The term does not include taxicab service, paratransit service or employee commuter van pooling.

“Taxi driver’s certificate.” A certificate or permit to drive a taxicab issued pursuant to section 5719 (relating to driver certification program).

“Taxicab.” A motor vehicle designed for carrying no more than eight passengers, exclusive of the driver, on a call or demand basis and used for the transportation of persons for compensation.

§ 5702. Advisory committee.

(a) Establishment.—There is hereby established an advisory committee to be known as the City of the First Class Taxicab and Limousine Advisory Committee. The authority shall submit to the advisory committee issues and questions for their consideration regarding the regulation, enforcement, compliance and operation of taxicabs and limousines in cities of the first class. The advisory committee may thoroughly consider the questions and issues submitted by the authority and may prepare and transmit to the authority and the public written comments. The advisory committee may submit suggestions and proposals to the authority in writing on topics considered important by a majority of the members. All actions of the advisory committee shall be considered strictly advisory, and the authority

shall give careful and due consideration to the comments and proposals of the advisory committee.

(b) Membership.—

(1) The advisory committee shall consist of the following members:

(i) Ten members appointed by the chairman of the authority or his designee as follows:

(A) One taxi driver.

(B) One medallion owner.

(C) One dispatch owner.

(D) One member of the public who utilizes taxicabs or limousines.

(E) One limousine owner.

(F) One representative of the hospitality industry from a list of five nominees assembled by the Philadelphia Convention and Visitors Bureau.

(G) One resident of a second class A county.

(H) One resident of a third class county.

(I) One representative of the Philadelphia International Airport.

(J) One representative of a major train station in a city of the first class.

(ii) One member appointed by the mayor of a city of the first class or his designee.

(iii) One member appointed by the Public Utility Commission.

(2) The advisory committee may consist of up to ten additional members appointed by the chairman of the authority or his designee.

(c) Terms.—The members shall serve two-year terms, except that one half of the initial appointees shall be appointed for a one-year term and one half of the initial appointees shall be appointed for a two-year term. No member shall serve more than three consecutive terms.

(d) Officers.—The authority shall designate a chairman, vice chairman and secretary of the advisory committee from the members of the advisory committee.

(e) Quorum.—A majority of the members of the advisory committee plus one additional member shall constitute a quorum.

(f) Compensation.—Members of the advisory committee shall not receive any compensation for the performance of their duties.

§ 5703. Rates.

(a) Rates to be just and reasonable.—Every rate made, demanded or received by a taxicab or limousine service shall be just and reasonable and in conformity with regulations or orders of the authority.

(b) Tariffs.—Under regulations as the authority may prescribe, every taxicab or limousine service shall file with the authority, within the time and in the form as the authority may designate, tariffs showing all rates established by it and collected or enforced or to be collected or enforced within cities of the first class. Every taxicab or limousine service shall keep

copies of tariffs open to public inspection under rules and regulations as the authority may prescribe. Upon request, the taxicab or limousine service shall make available at least one copy of any rate filing at a convenient location and for a reasonable length of time within a city of the first class for inspection and study by customers.

(c) Adherence to tariffs.—No taxicab or limousine service shall, directly or indirectly, by any device whatsoever or in any way, demand or receive from any person, corporation or municipal corporation a greater or lesser rate for any service rendered or to be rendered by the taxicab or limousine service than that specified in the tariffs of the taxicab or limousine service.

(d) Discrimination in rates.—No taxicab or limousine service shall make or grant any unreasonable preference or advantage to any person, corporation or municipal corporation or subject any person, corporation or municipal corporation to any unreasonable prejudice or disadvantage concerning its rate. No taxicab or limousine service shall establish or maintain any unreasonable difference as to rates. This subsection shall not prohibit the establishment of reasonable zone or group systems or classifications of rates.

(e) Voluntary changes in rates.—

(1) Unless the authority otherwise orders, no taxicab or limousine service shall make any change in any existing and duly established rate except after 60 days' notice to the authority which shall plainly state the changes proposed to be made in the rates then in force and the time when the changed rates will go into effect. The taxicab or limousine service shall also give notice of the proposed changes to other interested persons as the authority, in its discretion, may direct. The notices regarding the proposed changes which are provided shall be in plain, understandable language as the authority prescribes. All proposed changes shall be shown by filing new tariffs or supplements to existing tariffs filed and in force at the time. The authority, for good cause shown, may allow changes in rates without requiring the 60 days' notice under conditions as it may prescribe.

(2) Whenever there is filed with the authority by any taxicab or limousine service any tariff stating a new rate, the authority may, either upon complaint or upon its own motion and upon reasonable notice, conduct a hearing concerning the lawfulness of the rate. Pending the hearing and its outcome, the authority, upon filing the tariff and delivering to the taxicab or limousine service affected a statement in writing of its reasons may, at any time before it becomes effective, suspend the operation of the rate for a period not longer than nine months from the time it would otherwise become effective. The rate in force when the tariff stating the new rate was filed shall continue in force during the period of suspension unless the authority shall establish a temporary rate. The authority shall consider the effect of the suspension

in finally determining and prescribing the rates to be charged and collected by the taxicab or limousine service.

(3) If, after the hearing conducted pursuant to paragraph (2), the authority finds any rate to be unjust or unreasonable or in any way in violation of law, it shall determine the just and reasonable rate to be charged or applied by the taxicab or limousine service for the service in question and shall fix the rate by order to be served upon the taxicab or limousine service. The rate shall then be observed until changed.

(f) Temporary rates.—The authority may, in any proceeding involving the rates of a taxicab or limousine service, after reasonable notice and hearing and, if the public interest requires, immediately fix, determine and prescribe temporary rates to be charged by a taxicab or limousine service, pending the final determination of the rate proceeding.

(g) Fair return.—In fixing any rate of a taxicab or limousine service engaged exclusively as a common carrier by motor vehicle, the authority may fix the fair return by relating the fair and reasonable operating expenses, depreciation, taxes and other costs of furnishing service to operating revenues.

(h) Refunds.—If, in any proceeding involving rates, the authority determines that any rate received by a taxicab or limousine service was unjust or unreasonable or was in violation of any regulation or order of the authority or was in excess of the applicable rate contained in an existing and effective tariff of the taxicab or limousine service, the authority shall have the power to make an order requiring the public utility to refund the amount of any excess paid by any patron.

§ 5704. Power of authority to require insurance.

The authority may, by regulation or order, prescribe for a taxicab or limousine service requirements as it may deem necessary for the protection of persons or property of their patrons and the public, including the filing of surety bonds, the carrying of insurance or the qualifications and conditions under which carriers may act as self-insurers with respect to the requirements.

SUBCHAPTER B TAXICABS

Sec.

5711. Power of authority to issue certificates of public convenience.

5712. Medallion system.

5713. Property and licensing rights.

5714. Certificate and medallion required.

5715. Contested complaints.

5716. Reissuance of medallion.

5717. Additional certificates and medallions.

5718. Restrictions.

5719. Driver certification program.

- 5720. Wages.
- 5721. Centralized dispatcher.
- 5722. Regulations.
- 5723. Budget and fees.
- 5724. Criminal penalties.
- 5725. Civil penalties.

§ 5711. Power of authority to issue certificates of public convenience.

(a) General rule.—In addition to the powers conferred upon the authority by other provisions of this title, the authority is empowered to issue certificates of public convenience in accordance with this subchapter.

(b) Application.—Every application for a certificate of public convenience shall be made to the authority in writing, be verified by oath or affirmation and be in such form and contain such information as the authority may require.

(c) Procedure.—

(1) A certificate of public convenience to provide taxicab service within cities of the first class shall be granted by order of the authority without proof of the need for the service if the authority finds or determines that the applicant is capable of providing dependable taxicab service to the public according to the rules and regulations of the authority.

(2) The authority is authorized to issue a maximum of 1,600 certificates of public convenience for taxicab service in any city of the first class.

(3) It is hereby declared to be the policy of the General Assembly to regulate the provision of taxicab service within cities of the first class in such a manner that any certificate of public convenience hereinafter granted by order of the authority shall, in addition to any other conditions imposed by the authority, require that at least 40% of such trips of such taxicab service shall be derived from such service provided to and from points within specific geographical areas to be determined by the authority as being in the public interest. The authority shall have the power to rescind or revoke any certificate of public convenience granted to any existing holder or any new recipient for the operation of taxicabs within a city of the first class whenever it is shown that the holder of the certificate is not operating the taxicabs on an average of 50% of the time over any consecutive three-month period.

(4) The authority shall have the authority to grant immediate temporary certificates of public convenience for taxicab service within cities of the first class. Such temporary certificates are subject to further investigation before a permanent certificate shall be granted by the authority.

(5) The transfer of a certificate of public convenience, by any means or device, shall be subject to the prior approval of the authority which may, in its sole or peculiar discretion as it deems appropriate, attach

such conditions, including the appropriate allocation of proceeds, as it may find to be necessary or proper.

(6) A certificate of public convenience to convey or transmit to and from taxicabs messages or communications within cities of the first class through the use of centralized dispatch systems shall be granted by order of the authority if the authority finds that the applicant is capable of providing dependable service according to the rules and regulations of the authority.

§ 5712. Medallion system.

(a) System.—There is a medallion system within cities of the first class in order to provide holders of certificates of public convenience which authorize citywide call or demand service the opportunity to upgrade and improve the operations of taxicabs. In the case of a corporate certificate holder, a medallion shall be issued in the name of the corporation to its corporate president. The medallion shall be marked with the taxicab number assigned to the corresponding certificate of public convenience.

(b) Requirement.—Notwithstanding 75 Pa.C.S. § 1305(b) (relating to application for registration), before registering any taxi which is required to obtain a certificate of public convenience from the authority to operate in a city of the first class, the Department of Transportation shall require evidence that the certificate has been issued and has not been revoked or has not expired.

§ 5713. Property and licensing rights.

(a) Property rights.—Medallions are property and may not be revoked or canceled by the authority. Medallions may be pledged to lenders or creditors as security on debt. All lenders or creditors who, after the effective date of this section, accept a medallion as security shall do so in conformance with 13 Pa.C.S. (relating to commercial code). If a lender or creditor executes on or seizes a medallion, it shall immediately notify the authority in writing. Any sale of the medallion, upon seizure or execution, shall occur at authority offices pursuant to the requirements of section 5718 (relating to restrictions) within one year of the seizure or execution. If the medallion is not sold within one year, the medallion will become nontransferable, and possession must be surrendered to the authority unless the authority finds exigent circumstances exist which warrant extending the one-year period.

(b) Licensing rights.—A certificate of public convenience is a licensing right which accompanies each medallion and authorizes the operation of one taxicab within a city of the first class. No property interest shall exist in the certificate itself. A certificate may not be pledged to lenders or creditors as security on debt. A certificate may be canceled by the authority, upon due cause shown, for violation of this subchapter or authority regulations. If the authority cancels a certificate, the certificate holder shall have the right to sell the accompanying medallion within six months of the date of cancellation, and the certificate holder must turn the medallion over to the authority office within five days of cancellation of the certificate for

safekeeping until the medallion is sold. This six-month time period shall be extended during the pendency of a petition for reinstatement of the certificate of public convenience. If the medallion is not sold within the statutory period, the medallion will become nontransferable, and possession must be surrendered to the authority.

§ 5714. Certificate and medallion required.

(a) Procedure.—A vehicle may not be operated as a taxicab in cities of the first class unless a certificate of public convenience is issued authorizing the operation of the taxicab and a medallion is attached to the hood of the vehicle. Prior to the issuance of a medallion, the certificate holder shall have its vehicle inspected by the authority. The authority shall require, by order or regulation, that each medallion holder submit to a periodic vehicle inspection of its taxicab by authority personnel to ensure that the vehicle meets the requirements of this subchapter and authority regulations. Authority inspection requirements shall be in addition to the vehicle requirements set forth in Title 75 (relating to vehicles). Authority inspection and recording requirements shall be established by regulations. No vehicle which is more than eight years old shall continue in operation as a taxicab. Notwithstanding the foregoing, the authority may authorize the operation of antique vehicles in call or demand service in such circumstances as the authority may deem appropriate. Each medallion holder's tariff rates shall be clearly and visibly displayed in each taxicab. A medallion shall not be removed from a vehicle without prior notification to and permission of the authority. A medallion authorizes operation of a vehicle as a taxicab only for the fiscal year for which the medallion is issued.

(b) Protective barrier.—Each taxicab within cities of the first class shall be equipped with a protective barrier for the protection of the driver, separating the front seat from the back seat. The authority may provide for additional driver protection measures by order or regulation.

(c) Service.—A vehicle authorized by a certificate to provide call or demand service within cities of the first class may transport persons and their baggage upon call or demand and parcels, packages and property at the same basic metered rates charged to passengers:

(1) between points in the city of the first class for which its certificate is issued;

(2) from any point in the city of the first class for which its certificate is issued to any point in this Commonwealth;

(3) from any point in this Commonwealth to any point in the city of the first class for which its certificate is issued if the request for service for such transportation is received by call to its centralized dispatch system; and

(4) from any point in the city of the first class for which its certificate is issued to any point outside this Commonwealth as a continuous part of a trip.

(d) Other vehicles.—

(1) A vehicle which is not authorized by a certificate to provide call or demand service within cities of the first class but which is operated by the holder of a certificate of public convenience from the Pennsylvania Public Utility Commission authorizing call or demand service elsewhere in this Commonwealth may transport persons and property:

(i) to cities of the first class in accordance with the service authorized under its certificate of public convenience; and

(ii) from any point in a city of the first class to any point in this Commonwealth beyond that city of the first class if the request for service for such transportation is received by call to its radio dispatch service.

(2) Carriers currently authorized to provide service to designated areas within cities of the first class on a non-citywide basis shall retain their authorization. The authority shall not grant additional rights to new or existing carriers to serve designated areas within cities of the first class on a non-citywide basis.

(e) Penalties involving certificated taxicabs.—Operating a certificated taxicab in violation of subsections (a) and (b) or authorizing or permitting such operation is a nontraffic summary offense. Offenders of subsections (a) and (b) may also be subject to civil penalties pursuant to section 5725 (relating to civil penalties).

(f) Unauthorized vehicles.—Operating an unauthorized vehicle as a taxicab, or giving the appearance of offering call or demand service with an unauthorized vehicle, without first having received a certificate of public convenience and a medallion is a nontraffic summary offense in the first instance and a misdemeanor of the third degree for each offense thereafter. The owner and the driver of a vehicle being operated as or appearing as a taxicab without a certificate of public convenience and a medallion are also subject to civil penalties pursuant to section 5725. Civil penalties which have been assessed and collected shall be deposited in the fund.

(g) Confiscation and impoundment of vehicles.—In addition to penalties provided for in subsection (f), police officers in cities of the first class are empowered to confiscate and impound vehicles and equipment utilized to provide call or demand service without a certificate of public convenience and a medallion. Upon satisfaction of all penalties imposed and all outstanding fines assessed against the owner or operator of the unauthorized vehicle and payment of the city's costs associated with confiscation and impoundment, the vehicle and equipment shall be returned to its owner. Failure to timely satisfy these conditions within 90 days of impoundment may result in the sale of confiscated property by a city of the first class at auction. Proceeds received from the sale of confiscated property, after payment of the city's costs associated with confiscation, shall be deposited into the fund.

(h) Counterfeit medallions.—The manufacture or possession of a counterfeit medallion is a misdemeanor of the third degree for each offense.

§ 5715. Contested complaints.

(a) **Adjudication.**—Contested complaints brought before the authority alleging violations of this subchapter or rules and regulations promulgated by the authority pursuant to this subchapter shall be assigned by the authority to a hearing officer for adjudication. Hearing officers assigned to cases pursuant to this subchapter may be removed by the authority only for good cause shown. Following the taking and receiving of evidence, the hearing officer shall issue a decision which determines the merits of the complaint and assesses a penalty if warranted. In extraordinary circumstances, the hearing officer may require the filing of briefs prior to issuing a decision. The hearing officer's decision shall not be subject to exception or administrative appeal. In its discretion, the authority may exercise review of a hearing officer's decision within 15 days of the date of issuance. If the authority does not exercise its authority to review a hearing officer's decision, the decision will become a final order without further authority action. The authority may establish orders or regulations which designate rules and procedures for the adjudication of complaints brought pursuant to this subchapter.

(b) **Commencement of complaints.**—Authority enforcement officers, Pennsylvania Public Utility Commission enforcement officers and police officers or licensing officials within cities of the first class may commence and prosecute complaints brought before the authority pursuant to this subchapter and authority regulations applicable to taxicab operations in cities of the first class.

(c) **Other penalties.**—Nothing in this section shall be deemed to limit the ability of any city of the first class to prosecute violations and seek criminal penalties in a court of law.

§ 5716. Reissuance of medallion.

Within 30 days of the close of each fiscal year, a medallion holder shall apply to obtain from the authority a reissued medallion for a fee in an amount to be determined pursuant to the requirements of section 5723 (relating to budget and fees). Each year's medallion shall designate the year of issuance and shall be identifiable by a distinctive tint or color and shape to be determined by the authority. A medallion may not be issued by the authority unless all outstanding authority fines, penalties and fees have been paid in full and unless all insurance, tariff and vehicle inspection filings are current. Immediately prior to reissuance of a medallion, a medallion holder shall remove the prior year's medallion from the hood of its taxicab and surrender it to the authority. Upon reissuance, the new medallion shall be immediately attached to the vehicle.

§ 5717. Additional certificates and medallions.

Subject to the limits established in section 5711(c) (relating to power of authority to issue certificates of public convenience), the authority may increase the number of certificates and medallions if it finds a need for additional taxicab service in cities of the first class by issuing certificates

and corresponding medallions to applicants on a first-come-first-served basis. Each applicant shall pay a fee in an amount equal to the reasonable market value of the medallions at the time of issuance as determined by the authority. The fee is payable prior to the time of issuance. In determining the reasonable market value of a medallion, the authority shall consider the purchase price in medallion transactions over the prior year as reflected in authority records. The authority in its discretion may hold hearings to determine the reasonable market value of a medallion. In no case shall the number of certificates and medallions issued by the authority exceed 1,600 each.

§ 5718. Restrictions.

(a) **Place of transaction.**—A medallion may not be sold or transferred to another party unless the closing of the sales transaction occurs at authority offices in the presence of a designated authority staff member. The authority staff member shall witness the execution of each contract of sale to evidence staff presence at the execution. All contracts for the sale of medallions which are not executed at authority offices and witnessed by an authority staff member are void by operation of law. All sales contracts shall conform to such rules and regulations as the authority may prescribe. Prior to each closing, the buyer of the medallion shall pay a fee in an amount to be determined pursuant to the requirements of section 5723 (relating to budget and fees).

(b) **Issuance of certificate.**—Upon the witnessing of a sale of a medallion and upon application of the purchaser and compliance with authority tariff, insurance and inspection requirements, the authority staff shall issue an accompanying certificate to the new medallion holder unless the authority determines that the transfer of the certificate is inconsistent with the public interest. Where there is a determination that a transfer is not in the public interest, the new medallion holder shall have six months from the date the adverse determination is entered to sell the medallion to a new owner. If a sale is not consummated before authority personnel within six months, the medallion will become nontransferable, and possession must be surrendered to the authority.

(c) **Criminal records.**—No person or corporation may purchase a medallion or apply for a certificate if the person or corporation or an officer or director of the corporation has been convicted or found guilty of a felony within the five-year period immediately preceding the transfer. All applications for a certificate shall contain a sworn affidavit certifying that the purchaser has not been convicted of a felony in the previous five years. If, at any time, the authority finds that a medallion holder has been convicted of a felony while holding the medallion or during the five years immediately preceding its purchase, the authority shall cancel the corresponding certificate.

§ 5719. Driver certification program.

(a) **General rule.**—The authority shall provide for the establishment of a driver certification program for drivers of taxicabs within cities of the first class. Standards for fitness of taxi drivers shall be established under such rules and regulations as the authority may prescribe. The authority may revoke or suspend a taxi driver's certificate upon a finding that the individual is not fit to operate a taxicab. Each applicant for a taxi driver's certificate shall pay a fee in an amount to be determined pursuant to the requirements of section 5723 (relating to budget and fees). Upon approval, a picture taxi driver's certificate will be issued to an applicant. No individual shall operate a taxicab at any time unless the individual is certified as a taxi driver by the authority. Each certified taxi driver shall carry and display in full view a taxi driver's certificate at all times of operation of a taxicab. The authority may establish orders or regulations which designate additional requirements governing the certification of drivers and the operation of taxicabs by drivers, including, but not limited to, dress codes for drivers.

(b) **Violations.**—Operating a taxicab without a taxi driver's certificate or authorizing or permitting the operation of a taxicab by a driver who is not certified as a taxi driver within cities of the first class is a nontraffic summary offense in the first instance and a misdemeanor of the third degree for each offense thereafter. The authority may, by regulation, provide for suspension and revocation of taxi drivers' certificates for violations of this subchapter and authority regulations.

(c) **Agreements delegating responsibilities.**—The authority is hereby authorized to enter into agreements or contracts delegating the duties and responsibilities designated in subsection (a) to a different governmental entity or to another party.

§ 5720. Wages.

(a) **Minimum wage.**—Each medallion holder shall pay at least a prevailing minimum wage rate or, in the alternative, charge at most a prevailing maximum lease amount to the drivers of its taxicab, as determined by the authority upon investigation. The minimum wage rate and the maximum lease amount, as established by the authority, may include employee benefits.

(b) **Uniform rates.**—All taxicabs within cities of the first class shall charge a uniform rate to passengers, as determined by the authority upon investigation.

(c) **Reopen investigations.**—Any medallion holder or licensed driver may petition the authority to reopen the investigations addressed by subsections (a) and (b) no less than 18 months after the close of the preceding investigation.

§ 5721. Centralized dispatcher.

In cities of the first class, all medallion holders shall utilize the services of a centralized dispatch system. Any owner of a centralized dispatch system shall make such system available to all medallion holders for a reasonable fee, as described in a rate schedule to be filed with the authority.

The authority, in its discretion, may review the rate schedules of dispatch associations to determine if rates charged discriminate against new applicants. Medallion holders shall utilize only centralized dispatch systems that are in conformance with authority rules and regulations. Medallion holders shall have no obligation to use any particular centralized dispatch system.

§ 5722. Regulations.

The authority may prescribe such rules and regulations as it deems necessary to govern the regulation of taxicabs within cities of the first class under this subchapter.

§ 5723. Budget and fees.

(a) **Initial budget and fees.**—The authority shall complete an initial budget and fee schedule. The fee schedule shall identify the initial fees for initial issuance of a medallion, transfer of a medallion and issuance of a taxi driver's license. The authority's initial budget and fee schedule shall be submitted to the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives. Unless either the Senate or the House of Representatives acts to disapprove through adoption of a resolution within ten legislative days from the date of submittal, the authority's fee schedule shall become effective, and the authority shall notify each medallion holder by certified letter of the initial fee schedule.

(b) **Fiscal year budget and fees.**—The fiscal year for the fund shall commence on July 1 of each year. Before March 15 of each year, the authority shall submit a budget and proposed fee schedule for the coming fiscal year along with comprehensive financial data from the past fiscal year to the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives. Unless either the Senate or the House of Representatives acts to disapprove through adoption of a resolution by June 15 of each year, the authority fee schedule shall become effective. The authority shall notify all medallion holders of the fee schedule for the coming fiscal year by certified letter. If either the Senate or the House of Representatives acts to disapprove the authority's fee schedule and budget, the authority shall utilize the fee schedule and budget for the prior year.

(c) **First Class City Taxicab Regulatory Fund.**—Money deposited in the First Class City Taxicab Regulatory Fund is hereby specifically appropriated for the purposes of this chapter and shall not be used for any purpose not specified in this chapter. All interest earned by the fund and all refunds or repayments shall be credited to the fund.

(d) **Examination of records.**—The chairperson and the minority chairperson of the Appropriations Committee of the Senate and the chairperson and the minority chairperson of the Appropriations Committee of the House of Representatives shall have the right to examine the books, accounts and records of the authority at any time.

§ 5724. Criminal penalties.

For the purpose of this subchapter, any person or corporation convicted of:

- (1) a summary offense shall be sentenced to pay a fine of \$500 and may be sentenced to a term of imprisonment not to exceed 90 days or both; or
- (2) a misdemeanor shall be sentenced to pay a fine of \$2,500 and may be sentenced to a term of imprisonment not to exceed one year or both.

§ 5725. Civil penalties.

(a) **General rule.**—If any person or corporation subject to this subchapter shall violate any of the provisions of this subchapter or shall do any matter or thing prohibited under this subchapter; or shall fail, omit, neglect or refuse to perform any duty enjoined upon it by this subchapter; or shall fail, omit, neglect or refuse to obey, observe and comply with any regulation or final direction, requirement, determination or order made by the authority or to comply with any final judgment, order or decree made by any court, the person or corporation for the violation, omission, failure, neglect or refusal shall forfeit and pay to the Commonwealth a sum not exceeding \$1,000 to be recovered by an action of assumpsit instituted in the name of the Commonwealth. In construing and enforcing the provisions of this section, the violation, omission, failure, neglect or refusal of any officer, agent or employee acting for or employed by the person or corporation shall in every case be deemed to be the violation, omission, failure, neglect or refusal of the person or corporation.

(b) **Continuing offenses.**—Each and every day's continuance in the violation of any regulation or final direction, requirement, determination or order of the authority, or of any final judgment, order or decree made by any court, shall be a separate and distinct offense. If any interlocutory order of supersedeas or a preliminary injunction be granted, no penalties shall be incurred or collected for or on account of any act, matter or thing done in violation of such final direction, requirement, determination, order or decree so superseded or enjoined for the period of time such order of supersedeas or injunction is in force.

**SUBCHAPTER C
LIMOUSINES**

Sec.

5741. Certificate of public convenience required.

5742. Regulations.

5743. Budget and fees.

5744. Criminal penalties.

5745. Civil penalties.

§ 5741. Certificate of public convenience required.

(a) **General rule.**—In order to operate a limousine service within a city of the first class, a certificate of public convenience must be issued by the authority. The authority may grant a certificate of public convenience to provide limousine service if the authority determines that the applicant is capable of providing safe, adequate, lawful and dependable service to the public.

(b) **Enforcement.**—

(1) The provisions of this subchapter and the rules and regulations promulgated by the authority pursuant to this subchapter shall be enforced within cities of the first class by authority personnel.

(2) The Pennsylvania Public Utility Commission may initiate actions before the authority.

(c) **Restrictions.**—Certificates issued pursuant to this subchapter shall be nontransferable unless a transfer is approved by the authority.

§ 5742. Regulations.

The authority is authorized to prescribe such rules and regulations as it deems necessary to administer and enforce this chapter.

§ 5743. Budget and fees.

(a) **Initial budget and fees.**—The authority shall complete an initial budget and fee schedule. The fee schedule shall identify the initial fees for the holder of a certificate of public convenience for limousine service. The authority's initial budget and fee schedule shall be submitted to the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives. Unless either the Senate or the House of Representatives acts to disapprove through adoption of a resolution within ten legislative days from the date of submittal, the authority's fee schedule shall become effective, and the authority shall notify each certificate holder by certified letter of the initial fee schedule.

(b) **Fiscal year budget and fees.**—The fiscal year for the fund shall commence on July 1 of each year. Before March 15 of each year, the authority shall submit a budget and proposed fee schedule for the coming fiscal year along with comprehensive financial data from the past fiscal year to the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives. Unless either the Senate or the House of Representatives acts to disapprove through adoption of a resolution by June 15 of each year, the authority fee schedule shall become effective. The authority shall notify all certificate holders of the fee schedule for the coming fiscal year by certified letter. If either the Senate or the House of Representatives acts to disapprove the authority's fee schedule and budget, the authority shall utilize the fee schedule and budget for the prior year.

(c) **First Class City Taxicab Regulatory Fund.**—Money deposited in the First Class City Taxicab Regulatory Fund is hereby specifically appropriated for the purposes of this chapter and shall not be used for any purpose not specified in this chapter. All interest earned by the fund and all refunds or repayments shall be credited to the fund.

(d) Examination of records.—The chairperson and the minority chairperson of the Appropriations Committee of the Senate and the chairperson and the minority chairperson of the Appropriations Committee of the House of Representatives shall have the right to examine the books, accounts and records of the authority at any time.

§ 5744. Criminal penalties.

For the purpose of this subchapter, any person or corporation convicted of:

- (1) a summary offense shall be sentenced to pay a fine of \$500 and may be sentenced to a term of imprisonment not to exceed 90 days or both; or
- (2) a misdemeanor shall be sentenced to pay a fine of \$2,500 and may be sentenced to a term of imprisonment not to exceed one year or both.

§ 5745. Civil penalties.

(a) General rule.—If any person or corporation subject to this subchapter shall violate any of the provisions of this subchapter or shall do any matter or thing prohibited under this subchapter; or shall fail, omit, neglect or refuse to perform any duty enjoined upon it by this subchapter; or shall fail, omit, neglect or refuse to obey, observe and comply with any regulation or final direction, requirement, determination or order made by the authority or to comply with any final judgment, order or decree made by any court, the person or corporation for the violation, omission, failure, neglect or refusal shall forfeit and pay to the Commonwealth a sum not exceeding \$1,000 to be recovered by an action of assumpsit instituted in the name of the Commonwealth. In construing and enforcing the provisions of this section, the violation, omission, failure, neglect or refusal of any officer, agent or employee acting for or employed by the person or corporation shall in every case be deemed to be the violation, omission, failure, neglect or refusal of the person or corporation.

(b) Continuing offenses.—Each and every day’s continuance in the violation of any regulation or final direction, requirement, determination or order of the authority, or of any final judgment, order or decree made by any court, shall be a separate and distinct offense. If any interlocutory order of supersedeas or a preliminary injunction be granted, no penalties shall be incurred or collected for or on account of any act, matter or thing done in violation of such final direction, requirement, determination, order or decree so superseded or enjoined for the period of time such order of supersedeas or injunction is in force.

CHAPTER 58
 CONTRACTORS’ BONDS AND FINANCIAL
 SECURITY FOR REDEVELOPMENT CONTRACTS

Sec.
5801. Scope.

- 5802. Definitions.
- 5803. Redevelopment contracts equal to or less than \$10,000.
- 5804. Redevelopment contracts in excess of \$10,000.
- 5805. Issuers of bonds and financial security.
- 5806. Rights of action.
- 5807. Application.
- 5808. Certified copies.
- 5809. Prohibited acts.
- 5810. Existing redevelopment contracts.

§ 5801. Scope.

This chapter establishes bond and financial security requirements for certain contracts involving redevelopment by municipalities and municipal authorities.

§ 5802. Definitions.

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

“Claimant.” An individual, firm, partnership, association or corporation.

“Contracting body.” A public entity engaged in redevelopment. The term includes the following:

- (1) A municipality.
- (2) An entity established under any of the following:
 - (i) The act of May 28, 1937 (P.L.955, No.265), known as the Housing Authorities Law.
 - (ii) The former act of May 2, 1945 (P.L.382, No.164), known as the Municipality Authorities Act of 1945.
 - (iii) The act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law.
 - (iv) The act of August 23, 1967 (P.L.251, No.102), known as the Economic Development Financing Law.
 - (v) Chapter 56 (relating to municipal authorities).

“Labor or materials.” The term includes public utility services and reasonable rentals of equipment, but only for periods when the equipment rented is actually used at a site.

“Redevelopment.” Undertakings and activities for the elimination of blighted areas. Such undertakings and activities may include the planning, replanning, acquisition, rehabilitation, conservation, renewal, improvement, clearance, sale, lease or other disposition of real property, buildings or other improvements in blighted areas, or portions thereof, the relocation of businesses and families affected into or outside of a redevelopment area, or any combination of such undertakings and activities, the installation, construction or reconstruction of streets, utilities, parks, playgrounds and other improvements.

“Redevelopment contract.” A contract by a contracting body for redevelopment.

§ 5803. Redevelopment contracts equal to or less than \$10,000.

(a) Performance and payment bonds may be required.—Before a redevelopment contract equal to or less than \$10,000 of a contracting body is awarded to a prime contractor, the contracting body may require the prime contractor to furnish to the contracting body the following bonds which shall become binding upon the awarding of the redevelopment contract to the prime contractor:

(1) A performance bond at 100% of the contract amount, conditioned upon the faithful performance of the redevelopment contract in accordance with the plans, specifications and conditions of the redevelopment contract. The performance bond shall be solely for the protection of the contracting body which awarded the redevelopment contract.

(2) A payment bond at 100% of the redevelopment contract amount. The payment bond shall be solely for the protection of claimants supplying labor or materials to the prime contractor to whom the redevelopment contract was awarded, or to any of the prime contractor’s subcontractors, in the prosecution of the work provided for in the redevelopment contract and shall be conditioned for the prompt payment of all such material furnished or labor supplied or performed in the prosecution of the work.

(b) Filing.—Each of the bonds furnished under this section shall be filed in the office of the contracting body which awarded the redevelopment contract for which the bonds were given.

§ 5804. Redevelopment contracts in excess of \$10,000.

(a) Financial security required.—Before a redevelopment contract in excess of \$10,000 is awarded to a prime contractor, the prime contractor shall furnish to the contracting body the following financial security which shall become binding upon the awarding of the redevelopment contract to the prime contractor:

(1) Financial security, acceptable to and approved by the contracting body, including, but not limited to, Federal or Commonwealth chartered lending institution irrevocable letters of credit and restrictive or escrow accounts in such lending institutions, equal to 100% of the redevelopment contract amount, conditioned upon the faithful performance of the redevelopment contract in accordance with the plans, specifications and conditions of the redevelopment contract. The financial security shall be solely for the protection of the contracting body which awarded the redevelopment contract.

(2) Financial security, acceptable to and approved by the contracting body, including, but not limited to, Federal or Commonwealth chartered lending institution irrevocable letters of credit and restrictive or escrow accounts in such lending institutions, equal to 100% of the contract

amount. The financial security shall be solely for the protection of claimants supplying labor or materials to the prime contractor to whom the redevelopment contract was awarded, or to any of the prime contractor's subcontractors, in the prosecution of the work provided for in the redevelopment contract and shall be conditioned for the prompt payment of all such material furnished or labor supplied or performed in the prosecution of the work.

(b) Filing.—A duplicate copy of each financial security furnished under this section shall be filed in the office of the contracting body which awarded the contract for which the financial security was given.

§ 5805. Issuers of bonds and financial security.

The bonds and financial security furnished under the provisions of this chapter shall be executed by one or more surety companies or Federal or Commonwealth chartered lending institutions, chosen by the party posting the bonds or financial security and acceptable to the contracting body, legally authorized to do business in this Commonwealth.

§ 5806. Rights of action.

(a) Claimants within the redevelopment contract.—Subject to the provisions of subsection (b), a claimant who has performed labor or furnished material in the prosecution of the work provided for in a redevelopment contract for which a payment bond has been given under section 5803(a)(2) (relating to redevelopment contracts equal to or less than \$10,000) or for which other financial security has been given under section 5804(a)(2) (relating to redevelopment contracts in excess of \$10,000) and who has not been paid in full before the expiration of 90 days after the day on which the claimant performed the last of the labor or furnished the last of such materials for which the claimant claims payments may bring a civil action on such payment bond or other financial security in the claimant's own name to recover any amount due the claimant for the labor or material may prosecute the action to final judgment and execute on the judgment.

(b) Claimants outside the redevelopment contract.—

(1) A claimant who has a direct contractual relationship with a subcontractor of a prime contractor who gave a payment bond or other financial security for a redevelopment contract but which claimant has no contractual relationship, express or implied, with the prime contractor may bring an action on the payment bond or other financial security only if the claimant has given written notice to such contractor within 90 days from the date on which the claimant performed the last of the labor or furnished the last of the materials for which the claimant claims payment, stating with substantial accuracy the amount claimed and the name of the person for whom the work was performed or to whom the material was furnished.

(2) The notice under this subsection shall be served by registered or certified mail, postage prepaid, in an envelope addressed to the prime contractor at any place where the prime contractor's office is regularly

maintained for the transaction of business or served in any manner in which legal process may be served for the service of a summons, except that such service need not be made by a public officer.

§ 5807. Application.

This chapter shall apply regardless of whether the material furnished or labor performed enters into and becomes a component part of the public or private building or other public work or public improvement.

§ 5808. Certified copies.

(a) Certified copies.—A contracting body shall provide a certified copy of any payment bond or financial security and the redevelopment contract for which the payment bond or financial security was given to any person who makes an application for such copy and submits an affidavit stating that:

(1) the person furnished material or performed labor for the completion of the work provided for in the redevelopment contract and that the person has not been fully paid for such labor or material;

(2) the person is a defendant in an action brought on a payment bond or other financial security; or

(3) the person is the surety in a payment bond on which an action has been brought or is the representative of a lending institution that has issued or is maintaining financial security on which an action has been brought.

(b) Payment of fee.—The applicant shall pay for each certified copy a fee fixed by the contracting body to cover the actual cost of the preparation of the copy.

(c) Certified copy as evidence.—A certified copy of a payment bond or financial security and of the redevelopment contract for which the payment bond or financial security was given shall constitute prima facie evidence of the contents, execution and delivery of the original of the payment bond and the redevelopment contract.

§ 5809. Prohibited acts.

(a) General rule.—It is unlawful for any representative of a contracting body in issuing an invitation for bids to require that any bond specified in section 5803 (relating to redevelopment contracts equal to or less than \$10,000) or 5804 (relating to redevelopment contracts in excess of \$10,000) be furnished by a particular surety company or through a particular agent or broker.

(b) Penalty.—Any person who violates subsection (a) commits a misdemeanor of the first degree and shall, upon conviction, be sentenced to pay a fine not exceeding \$5,000 or to imprisonment for a term not exceeding five years, or both.

§ 5810. Existing redevelopment contracts.

All rights, duties and obligations arising under any redevelopment contract awarded pursuant to an invitation for bids issued prior to the effective date of this chapter or any bond given in connection with such

redevelopment contract shall continue to be governed by the provisions of the law in effect at the time of the execution of that contract by all of the parties.

CHAPTER 59
PENNSYLVANIA CONVENTION CENTER AUTHORITY

Sec.

- 5901. Scope.
- 5902. Findings and declaration of policy.
- 5903. Definitions.
- 5904. Authority created.
- 5905. Purposes and powers; general.
- 5906. Capital and operating budgets.
 - 5906.1. Expansion financing.
- 5907. Purposes and powers; bonds.
- 5908. Provisions of bonds, trusts, indentures and mortgages.
- 5909. Remedies of obligee of authority.
- 5910. Additional remedies conferrable by authority.
- 5911. Governing board.
 - 5911.1. Labor relations advisory committee.
- 5912. Sovereign immunity.
- 5913. Moneys of authority.
- 5914. Transfer of existing facilities or funds; making of annual grants and lease payments to authority; Commonwealth bonds.
- 5915. Award of contracts.
- 5916. Interests of public officers, public employees and party officers.
- 5917. Acquisition of lands.
- 5918. Use and operation of convention center.
- 5919. Limitation of powers.
- 5920. Exemption from taxation.
- 5921. Lease by authorities.
- 5922. Cooperation.
- 5923. Hotel room rental tax.

§ 5901. Scope.

This chapter deals with convention center authorities.

§ 5902. Findings and declaration of policy.

It is hereby determined and declared as a matter of legislative finding that:

(1) The health, safety and general welfare of the people of this Commonwealth are directly dependent upon the continual encouragement, development, growth and expansion of business, industry, commerce and tourism within this Commonwealth.

(2) Unemployment, the spread of indigency and the heavy burden of public assistance and unemployment compensation can be avoided by the

promotion, attraction, stimulation, development and expansion of business, industry, commerce and tourism in this Commonwealth.

(3) Development of a major convention center is most appropriate in a city of the first class which, because of size, is capable of attracting major national conventions and that the attraction of business to this Commonwealth as a result of the development is an important factor in the continual encouragement, promotion, attraction, stimulation, development, growth and expansion of business, industry, commerce and tourism within a city, the surrounding counties and this Commonwealth as a whole.

(4) The purpose of a convention center should be the promotion, attraction, stimulation, development and expansion of business, industry, commerce and tourism in a city, the surrounding counties and this Commonwealth as a whole.

(5) The development of a convention center will provide benefits to the hotel industry throughout the entire area of the city where the center is developed.

(6) The development of a convention center will also provide benefits to the restaurant and entertainment industries throughout the entire area of the city where the center is located, to all other businesses and individuals benefited by the attraction of major conventions and tourists, to other individual businesses whose livelihood is dependent on the attraction of major conventions and tourists and to the general public.

(7) The need for and promotion of the type of facility which will provide significant benefits to the general public will require the expenditure of public money and that it is appropriate to authorize a city to impose and collect a tax, applicable within the entire territorial limits of the city, to facilitate the development of a convention facility and the promotion of tourism within the city.

(8) To promote the development of a convention center within this Commonwealth, it is necessary to provide additional and flexible means of developing, constructing, designing, managing, financing and operating such a convention center.

(9) An important aspect of the development of a convention center should be the removal of blighted areas and the redevelopment of blighted areas.

(10) The policy of this Commonwealth is to promote the health, safety, employment, business opportunities and general welfare of the people of this Commonwealth by providing for the creation of a convention center authority, which shall exist and operate as a public instrumentality of this Commonwealth for the public purpose of promoting, attracting, stimulating, developing and expanding business, industry, commerce and tourism in this Commonwealth. This purpose is declared to be a public purpose supporting the enactment of all provisions of this chapter and for which public money may be spent,

taxes may be imposed and private property may be acquired by the exercise of the power of eminent domain.

§ 5903. Definitions.

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

“Authority” or “Pennsylvania Convention Center Authority.” An agency and public instrumentality of this Commonwealth and a body politic and corporate created pursuant to this chapter.

“Board.” The governing body of an authority.

“Bonds.” Notes, bonds, refunding notes and bonds, interim certificates, debentures and other evidence of indebtedness or obligations which the authority is authorized to issue pursuant to this chapter.

“City.” Any city or county of the first class.

“Construction.” The acquisition, design, erection, extension, renovation, rehabilitation, conversion, furnishing, fixturing, equipping, enlargement or substantial repair of a convention center, or part of a convention center, and activities substantially related to such acquisition, design, erection, extension, renovation, rehabilitation, conversion, furnishing, fixturing, equipping, enlargement or substantial repair of a convention center, or part of a convention center.

“Convention center.” Any land, improvement, structure, building or part of a building, or a property interest in any land, improvement, structure, building or part of a building, whether owned by or leased by or to or otherwise acquired by the authority, appropriate for large public assemblies; the holding of conventions; conferences; trade exhibitions; and other business, social, cultural, scientific and public interest events. The term includes the main convention area and other buildings, structures or facilities for use in conjunction with the main convention area, including provision for off-street parking, retail areas and other improvements related to the convention center owned by or leased by or to the authority for the purpose of producing revenue to assist in defraying any costs or expenses of the convention center.

“Cost of a project.” All or any part of the cost of construction, acquisition, alteration, enlargement, furnishing, fixturing and equipping, reconstruction and rehabilitation of a convention center project. The term includes all of the following:

(1) Cost of all lands, structures, real or personal property, rights, rights-of-way, roads, franchises, easements and interests acquired or used for or in connection with a project.

(2) Cost of demolishing or removing any buildings or structures on acquired land, including the cost of acquiring lands to which buildings or structures may be moved or located.

(3) Cost of all utility lines, structures or equipment.

(4) Charges, interest prior to, during and for a period of six months after completion of construction and acquisition.

(5) Provisions for reserves for principal and interest and for extensions, enlargements, additions and improvements.

(6) Cost of architectural, engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenue.

(7) Expenses necessary or incident to determining the feasibility or practicability of constructing the project.

(8) Other capital cost or expense as necessary or incident to the construction, development and acquisition of the project, to the financing of the construction, development and acquisition and to the placing of the project in operation. This paragraph includes a proper allowance for contingencies and the provisions of reasonable initial working capital for operating the project.

“Expansion or substantial renovation.” Any construction with an estimated total cost of more than \$300,000,000 initiated after substantial completion.

“Federal agency” or “Federal Government.” The United States of America, the President of the United States of America and any department or corporation, agency or instrumentality designated or established by the United States of America.

“Main convention area.” All facilities, furniture, fixtures and equipment necessary or incident to the purposes of a convention center. The term includes:

(1) meeting rooms, dining rooms, kitchens, ballrooms, reception areas, registration and prefunction areas, truck loading areas and access to truck loading areas, accessways, common areas, lobbies and offices; and

(2) areas appurtenant to any of the areas listed in paragraph (1).

“Oblige of the authority” or “obligee.” Any bondholder, trustee or trustees for any bondholders when a party to any contract with the authority.

“Philadelphia Metropolitan Statistical Area.” The Pennsylvania part of the Philadelphia Standard Metropolitan Statistical Area as determined by the United States Census Bureau, 1980 Census, comprising the Pennsylvania counties of Philadelphia, Delaware, Bucks, Montgomery and Chester.

“Project.” Any site, building, structure, equipment, furnishing and other facilities or undertaking in respect of a convention center which the authority is authorized to acquire, construct, improve, install, maintain or operate under the provisions of this chapter.

“State public body.” The Commonwealth and its executive, administrative and independent agencies, its departments, its officers, its boards, its authorities, its commissions and its instrumentalities.

“Substantial completion.” Construction that is sufficiently completed in accordance with contract documents and certified by the convention center

authority's architect or engineer, as modified by change orders which are subject to review and approval by the Secretary of the Budget and the chief financial officer of the city, so that the main convention area can be used, occupied or operated for its intended use. In no event shall a project be certified as substantially complete until at least 90% of the work on the main convention area is completed.

§ 5904. Authority created.

A body corporate and politic, named the Pennsylvania Convention Center Authority, is created as a public authority and government instrumentality to have continuing succession until its existence shall be terminated by law. The exercise by the authority of the powers conferred by this chapter is declared to be and shall for all purposes be deemed and held to be the performance of an essential public function.

§ 5905. Purposes and powers; general.

(a) General powers.—Every authority created by this chapter shall be a public body, corporate and politic, exercising public powers of the Commonwealth as an agency and instrumentality thereof and shall be for the purpose, without limitation, by itself or by agreement in cooperation with others, of acquiring, holding, developing, designing, constructing, improving, maintaining, managing, operating, financing, furnishing, fixturing, equipping, repairing, leasing or subleasing, either in the capacity of lessor or lessee or sublessor or sublessee, and owning a convention center or parts of a convention center.

(b) Specific powers.—The authority is granted all powers necessary or convenient for the carrying out of the purposes in subsection (a), including the following rights and powers:

- (1) To have continuing succession.
- (2) To be a party in all courts.
- (3) To adopt, use and alter at will a corporate seal.
- (4) To acquire by gift or otherwise, purchase, hold, receive, lease, sublease and use any license, franchise or property, real, personal or mixed, tangible or intangible, or any interest in a license, franchise or property, including a convention center or parts of a convention center.
- (5) To sell, transfer or dispose of any property or interest in property with adequate and fair consideration.
- (6) To acquire, hold, develop, design, construct, improve, maintain, manage, operate, furnish, fixture, equip, repair, own, lease or sublease a convention center or parts of a convention center and to make, enter into and award contracts with any person, association, partnership or corporation for the development, design, financing, construction, improvement, maintenance, operation, management, furnishing, fixturing, equipping and repair of a convention center or parts of a convention center.

(7) To make bylaws for the management and regulation of its affairs and issue rules, regulations and policies in connection with the performance of its functions and duties.

(8) To appoint officers, agents, employees and servants, to prescribe their duties and to fix their compensation.

(9) To fix, alter, charge and collect rentals, admissions, license fees and other charges.

(10) To borrow money for the purpose of paying the costs of any project and to evidence the debt; make and issue negotiable bonds of the authority; secure the payment of the bonds, or any part of the bonds, by pledge or deed of trust of its revenue, rentals, receipts and contract rights; make contracts with the purchasers or holders of bonds or with other obligees of the authority in connection with any bonds, whether issued or to be issued, as the authority deems advisable; obtain credit enhancement or liquidity facilities in connection with any bonds as the authority determines to be advantageous; and, in general, provide for the security for bonds and the rights of the holders of bonds.

(11) To make, enter into and award contracts to execute all instruments necessary or convenient for the carrying out of its business.

(12) To borrow money and accept grants and to enter into contracts, leases, subleases, licenses or other transactions with any Federal agency, State public body, political subdivision, person, association, partnership or corporation.

(13) To have the power of eminent domain within a city of the first class. Any condemnation by the authority shall be in the manner provided by the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the Eminent Domain Code.

(14) To pledge, hypothecate or otherwise encumber any of its property, real, personal or mixed, tangible or intangible, and its revenue or receipts, including, but not limited to, any interest the authority may have in any lease or sublease of a convention center or parts of a convention center.

(15) To procure insurance containing coverages, including, without limitation, insurance covering the timely payment in full of principal of and interest on bonds of the authority, in amounts and from insurers as the authority may determine to be necessary or desirable for its purposes.

(16) To invest its money.

(17) To cooperate with any Federal agency, State public body or political subdivision.

(18) To invest any funds held in reserve or sinking funds or any funds not required for immediate disbursements, as authorized by section 5913(d)(relating to moneys of authority).

(19) To appoint all officers, agents and employees required for the performance of its duties and fix and determine their qualifications, duties and compensation and retain or employ other agents or

consultants, including, but not limited to, architects, auditors, engineers, private counsel and private consultants on a contract basis or otherwise for rendering professional or technical services and advice.

(20) To enroll its employees in an existing retirement system of the State, city or other governmental entity.

(21) To appoint and fix the compensation of chief counsel and assistant counsel to provide it with legal assistance, for which purpose the authority shall not be considered either an executive agency or an independent agency for the purpose of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, but shall possess the same status for such purpose as the Auditor General, State Treasurer and the Pennsylvania Public Utility Commission, except that the provisions of section 204(b) and (f) of the Commonwealth Attorneys Act shall not apply to the authority, and, notwithstanding the provisions of 42 Pa.C.S. § 8525 (relating to legal assistance), the authority through its counsel shall defend actions brought against the authority and its officers and employees when acting within the scope of their official duties.

(22) To maintain an office in the city.

(23) To appoint an executive director who shall:

(i) be the chief executive officer of the authority;

(ii) devote full time during business hours to the duties of office; and

(iii) receive compensation as the board determines.

(23.1) To contract with an association with experience in managing convention centers for the management of the convention center.

(24) To do all acts and things necessary or convenient for the promotion of its purposes and the general welfare of the authority and to carry out the powers granted to it by this chapter or any other acts.

(c) Limitation.—The authority shall have no power to pledge the credit or taxing powers of any State public body, any political subdivision or the city, nor shall any of its obligations be deemed obligations of any State public body, any political subdivision or the city, nor shall any State public body, any political subdivision or the city be liable for the payment of principal or interest on the obligations.

(d) Affirmative action.—The authority shall develop and implement an affirmative action plan to assure that all persons are accorded equality of opportunity in employment and contracting by the authority, its contractors, subcontractors, assignees, lessees, agents, vendors and suppliers.

§ 5906. Capital and operating budgets.

(a) Capital budget.—At least 90 days before the commencing of the ensuing fiscal year of the authority, the board shall cause to be prepared and submitted to it a recommended capital budget. The capital budget shall show in detail the capital expenditures to be made or incurred in the next fiscal year which are to be financed from funds subject to control or

appropriation by the board. The capital budget shall be prepared with the aid of the Secretary of the Budget and the chief financial officer of the city and shall be in a form and detail satisfactory to them. In the event that the capital budget is not in a form and detail satisfactory to either the Secretary of the Budget or the chief financial officer of the city, either official may require that the capital budget be redrafted and resubmitted. The official shall not be considered in receipt of the capital budget or any amendments to it unless the form and detail of the capital budget is satisfactory. For each separate purpose, project, facility or other property, the amount and the source of the money that has been spent, encumbered or is intended to be spent or encumbered during the fiscal year shall be shown. No later than the date of the adoption of the annual operating budget, the board shall adopt a capital budget by a majority vote of its members.

(b) Operating budget.—At least 90 days before the commencing of the ensuing fiscal year of the authority, the board shall cause to be prepared and submitted to it a recommended operating budget. The operating budget shall be prepared with the aid of the chief financial officer of the city and shall be in form and detail satisfactory to him. In the event that the operating budget is not in a form and detail satisfactory to the chief financial officer of the city, the officer may require that the operating budget be redrafted and resubmitted. The chief financial officer shall not be considered to be in receipt of the operating budget or any amendments to the operating budget unless the form and detail is to the officer's satisfaction. The operating budget should set forth the estimated receipts and revenue of the authority during the next fiscal year. The board shall, at least 30 days before the end of the fiscal year, adopt, by a majority vote of its members, an operating budget for the next fiscal year.

(c) Additional approvals or disapprovals.—If the Secretary of the Budget or the chief financial officer of the city in which the convention center is located are among the members appointed to the board of the authority or if they sit as ex officio members of the board, each shall have the right to approve or disapprove each line item of the capital budget of the authority and any amendments to it as well as all change orders. In addition, the chief financial officer of the city shall have the right to approve or disapprove the total amount of the operating budget of the authority and any amendments increasing the aggregate amount. In the case of both the capital and operating budgets and change orders of the authority, approval shall be presumed unless the chief financial officer of the city has disapproved the entire operating budget or relevant amendments to it or either the chief financial officer of the city or the Secretary of the Budget has disapproved all or part of the capital budget of the authority or amendments to it or change orders within 30 days of the receipt of the respective budgets, amendments to the respective budgets or change orders. The Secretary of the Budget or the chief financial officer of the city may establish a threshold level below which the officers will not exercise their

right to disapprove change orders and may identify categories or types of change orders for which they will not exercise that right.

(d) **Project design.**—Notwithstanding any other provisions of this chapter to the contrary, the design for any capital project undertaken by the authority shall be submitted to the Secretary of the Budget and the chief financial officer of the city for approval. No such capital project under this subsection may be undertaken by the authority unless the schematic design and the preliminary design development documents have been approved by the Secretary of the Budget and the chief financial officer of the city. The design and construction of any capital project for the center may be divided into stages or phases for which schematic design and preliminary design development documents may be approved separately by the Secretary of the Budget and the chief financial officer of the city and which may be undertaken by the authority as if each stage or phase was a separate capital project. In the case of the schematic design and preliminary design development documents for any capital project or any stage or phase of a capital project, approval shall be presumed unless the Secretary of the Budget or the chief financial officer of the city has disapproved the design and expressly set forth his objections to the documents within 45 days of the receipt of the documents. Further design approval shall not be required provided the construction documents are consistent with the design set forth in the schematic and preliminary design development documents.

(e) **Onsite inspectors.**—The Secretary of the Budget may appoint and designate an inspector or inspectors who shall have complete authority to inspect any and all aspects of the construction of any capital project undertaken by the authority. Any inspection shall be made during normal business hours and shall be conducted in such a manner as to not disrupt the work of constructing the center and shall be made solely for the purpose of observing the construction of the project. The inspectors shall report to the Secretary of the Budget for the purpose of assisting the secretary in carrying out his duties and responsibilities as provided by this section.

§ 5906.1. Expansion financing.

(a) **Commonwealth funds.**—Any grants of Commonwealth funds to the authority or for use by the authority to finance any expansion or substantial renovation of the convention center shall be subject to the requirements of this section.

(b) **Managerial audit.**—

(1) No later than April 1, 2003, the board shall initiate a managerial audit of the convention center to be performed by an independent auditor. The audit shall examine all of the following:

- (i) payroll and personnel practices;
- (ii) equipment controls and security;
- (iii) management activities;
- (iv) management control systems;
- (v) cost overruns for conventions held at the convention center;

- (vi) labor productivity;
- (vii) comparison of costs with convention centers in other states;
- (viii) work rules;
- (ix) appropriate benchmarks for evaluation of convention center performance;
- (x) rebooking rates; and
- (xi) any other items proposed by the board.

(2) The board shall order subsequent independent managerial audits to evaluate compliance with audit recommendations.

(c) Code of conduct.—The board shall establish a code of conduct and a system to enforce the code of conduct.

(d) Customer service.—The board shall do all of the following:

(1) Establish dispute resolution mechanisms for the use of customers of the convention center.

(2) Adopt a plan for documenting, investigating and resolving customer complaints.

(3) Implement the systematic collection of customer feedback and monitor customer satisfaction.

(4) Adopt a system of program measures and benchmarks to evaluate changes in customer satisfaction over time. The program measures shall include, but are not limited to, customer perspectives on labor jurisdiction disputes, overall labor environment and labor efficiency.

(e) Release.—Prior to the release of any Commonwealth funds to finance any expansion or substantial renovation, the Secretary of the Budget in his sole discretion shall certify to the President pro tempore of the Senate and the Speaker of the House of Representatives that the board has complied with subsections (b), (c) and (d).

(f) Financial plan.—The authority shall submit a proposed financial plan for an expansion or substantial renovation of the convention center to the Governor, the President pro tempore of the Senate, the Speaker of the House of Representatives and the Pennsylvania Intergovernmental Cooperation Authority. The financial plan shall be considered a public record. The Pennsylvania Intergovernmental Cooperation Authority shall provide a detailed analysis on the fiscal impact and financial risks for the expansion or substantial renovation to the Governor, the President pro tempore of the Senate and the Speaker of the House of Representatives. The analysis shall be considered a public record.

§ 5907. Purposes and powers; bonds.

(a) Authorization.—

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

(i) Series.

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

(iii) Interest.

(iv) Denomination.

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

(vi) Registration, exchangeability and interchangeability privileges.

(vii) Medium of payment and place of payment.

(viii) Terms of redemption.

(ix) Priorities in the revenue or receipts of the authority.

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

(3) A bond may be sold at public or private sale for a price determined by the authority. A bond may be sold at private sale only if:

(i) the authority makes a written public explanation of the circumstances and justification for the private sale; and

(ii) the board approves the private sale by a vote of at least seven members or a majority, whichever is larger.

(4) Pending the preparation of a definitive bond, interim receipts may be issued to the purchaser and may contain terms and conditions as the authority determines.

(b) **Negotiability.**—A bond shall have all the qualities of negotiable instruments under 13 Pa.C.S. Div. 3 (relating to negotiable instruments).

(c) **Use of net proceeds.**—The net proceeds of the issue of bonds or notes may be used to pay the costs of the project or to reimburse any costs initially paid by any State public body, the city, other political subdivision, agency, organization or person.

(d) **Refunding authorized.**—

(1) Subject to the provisions of the outstanding bonds, notes or other obligations and subject to the provisions of this chapter, the authority shall have the right and power to refund any outstanding debt, in whole or in part, at any time and shall have the right and power to refund any outstanding notes with bonds or bonds with notes.

(2) As used in this subsection, the term “refund” means the issuance and sale of obligations the proceeds of which are used or are to be used for the payment or redemption of outstanding obligations upon or prior to maturity.

§ 5908. Provisions of bonds, trusts, indentures and mortgages.

In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment of such bonds and obligations, the authority, in addition to its other powers, shall have the power to:

(1) Pledge all or any part of its gross or net revenue to which its right then exists or may thereafter come into existence.

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

(3) Covenant against pledging all or any part of its revenue, or against mortgaging all or any part of its real or personal property to which its right or title exists or may come into existence, or against permitting or suffering a lien on the revenue 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) Covenant as to the bonds to be issued and as to the issuance of the bonds, in escrow or otherwise, and as to the use and disposition of the proceeds of the bonds; 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 on the bonds; to redeem the bonds and to covenant for their redemption; and to provide the terms and conditions of the bonds.

(5) Covenant as to the amount of revenue to be raised each year or other period of time by the authority as well as to the use and disposition to be made of the revenue, 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 money held in the special funds.

(5.1) Prescribe the amount of bonds.

(6) Prescribe the procedure, if any, by which the terms of a contract with bondholders may be amended or abrogated with the consent of the holders and the manner in which consent may be given.

(7) 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 of the property, the insurance to be carried on the property and the use and disposition of insurance money.

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

(9) 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 rent and revenue arising from the property and to dispose of the money in accordance with the agreement of the authority with the trustee; to provide for the powers and

duties of a trustee and to limit liabilities of the trustee; 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) Obtain letters of credit and bond insurance.

(11) Exercise all or any part or combination of the powers granted under this chapter, to make covenants other than and in addition to the covenants expressly authorized, to make covenants and to do acts and things necessary or convenient or desirable to secure its bonds or, in the absolute discretion of the authority, as will tend to accomplish the purposes of this chapter by making the bonds more marketable notwithstanding that the covenants, acts or things may not be specifically enumerated in this chapter.

§ 5909. Remedies of obligee of authority.

An obligee of the authority has the right, in addition to all other rights which may be conferred on the obligee, subject only to any contractual restrictions binding upon the obligee:

(1) By mandamus, suit, action or proceeding at law or in equity, to compel the authority and the members, officers, agents or employees thereof to perform each and every term, provision and covenant contained in any bond or contract of the authority with or for the benefit of the obligee and to require the carrying out of any or all covenants and agreements of the authority and the fulfillment of all duties imposed upon the authority by this chapter.

(2) By proceeding in equity, to obtain an injunction against any acts or things which may be unlawful or the violation of any of the rights of the obligee of the authority.

§ 5910. Additional remedies conferrable by authority.

(a) Additional remedies.—The authority has power, by its resolution, trust, indenture or mortgage, to confer upon any obligees holding or representing a specified percentage of bonds the right, in addition to all rights that may otherwise be conferred, upon the happening of an event of default as defined in the resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction:

(1) to obtain the appointment of a receiver of real property or a leasehold interest of the authority and of the rents and profits from the property or interest and, if a receiver is appointed, to authorize the receiver to enter and take possession of the real property or leasehold interest, operate it, collect and receive all revenue or other income arising from it and keep the money in a separate account and apply it in accordance with the obligations of the authority as the court directs; or

(2) to require the authority and its members to account as if it and they were the trustees of an express trust.

(b) Authority of receiver.—Nothing in this section or any other section of this chapter shall authorize any receiver appointed pursuant to this

chapter for the purpose of operating and maintaining any facilities of the authority to sell, assign, mortgage or otherwise dispose of any of the assets, of whatever kind or character, belonging to the authority. It is the intention of this chapter to limit the powers of the receiver to the operation and maintenance of the facilities of the authority as the court shall direct, and no holder or holders of bonds of the authority nor any trustee or other obligee shall ever have the right in any suit, action or proceeding, at law or in equity, to compel a receiver, nor shall any receiver ever be authorized, or any court be empowered to direct the receiver, to sell, assign, mortgage or otherwise dispose of any assets, of whatever kind or character, belonging to the authority.

§ 5911. Governing board.

(a) Power.—The power of the authority shall be exercised by a governing board composed of 13 members.

(1) Each board of county commissioners or county councils within the Philadelphia Metropolitan Statistical Area, excluding counties which are coterminous with cities of the first class, shall appoint a resident of the county by a majority vote of the members of each board of county commissioners or county council. The term of office of members appointed by each board of county commissioners or county councils shall be four years. The initial term of members appointed under this paragraph commences January 1, 2003.

(2) The President pro tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives shall each appoint one member. The term of office of these members shall run concurrently with the term of office of the appointing authority.

(3) The chief executive officer of the city in which a convention center is located shall appoint one member who is a resident of the city in which a convention center is located. The term of office of the member shall run concurrently with the term of office of the appointing authority.

(4) The chief executive officer of the city in which a convention center is located shall appoint one member from a list of four nominees prepared by the Philadelphia Convention and Visitors Bureau. Each of the four nominees of the hospitality industry must be a resident of the Philadelphia Metropolitan Statistical Area. The term of office of the member shall run concurrently with the term of office of the appointing authority.

(5) The council of the city in which a convention center is located shall appoint two members as provided for in this paragraph. One member shall be appointed for the council by the president of the council, and one shall be appointed for the council by the minority leader of the council. The terms of office of the members shall run concurrently with the term of office of the chief executive officer of the city.

(6) The board members shall, by a vote of at least seven members or a majority, whichever is larger, appoint¹ an additional member, who shall serve as chairman of the board.

(7) (i) The member chosen as chairman shall have experience either as an executive officer, financial officer or operating officer of a major corporation, major financial institution, significant firm in the hospitality industry or a convention center or has served in a cabinet-level position in a Federal or State agency or has experience as an executive officer of a hospital or an institution of higher education.

(ii) The chairman shall serve for a term coincident with the term of the member appointed pursuant to paragraph (3).

(iii) In the event the members of the board cannot agree on a chairman within 60 days of the office of chairman becoming vacant, the Governor shall appoint a member to serve as chairman, subject to the advice and consent of 26 members of the Senate. The member appointed by either the members or the Governor shall serve as chairman of the board of the authority until his successor is duly appointed. The chairman may be removed and a new chairman selected by a vote of seven members of the board or a majority, whichever is larger.

(8) The Secretary of the Budget shall serve as a nonvoting ex officio member of the board. If the chief financial officer of the city in which the convention center is located is not an appointed member of the board, he shall serve as a nonvoting ex officio member of the board.

(b) Certification and oath of office.—The appointing powers shall certify their respective appointments to the Secretary of the Commonwealth. Within 30 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.

(c) Terms and vacancies.—If a vacancy shall occur by means of the death, disqualification, abandonment, resignation or removal of a member or the chairman, subject to the provisions of subsection (a), the appointing authority shall appoint a successor to fill his unexpired term.

(d) Compensation.—Subject to an aggregate per annum limitation and any other rules and regulations as the board shall determine, a member shall receive \$125 per diem when engaged in the exercise of duties for the authority and shall also be entitled to necessary expenses, including traveling expenses, incurred in the discharge of duties. In addition to any other compensation provided under this subsection, the chairman of the board of the authority shall be entitled to receive such additional compensation as the board shall determine. No other member of the board shall be entitled to any additional compensation for extra service provided

¹“larger shall appoint” in enrolled bill.

to the authority. The per diem amount may be increased by a vote of seven members of the board or a majority, whichever is larger, but any increase shall not apply during the term of office of board members voting or eligible to vote on the per diem increase.

(e) Organization.—The members of the board shall select a vice chairman and other officers as the board may determine from the members of the board. Except as otherwise provided, all actions of the board shall be taken by a vote of at least seven members of the board or a majority, whichever is larger, unless the bylaws of the authority shall provide for a greater vote. The board shall have full authority to manage the properties and business of the authority and to prescribe, amend and repeal bylaws, rules and regulations governing the manner in which the business of the authority may be conducted and the powers granted to it may be exercised and embodied. Notwithstanding any other law, court decision, precedent or practice to the contrary, no actions by or on behalf of the board shall be taken by any officer of the board except upon the approval of a majority of the board. The chairman, vice chairman or any other officer, committee or employee of the board may take actions by or on behalf of the board as authorized on at least an annual basis by a vote of seven members of the board or a majority, whichever is larger, and subject to the supervision and control of the board.

(f) Nonliability of members.—Members of the board shall not be liable personally on the bonds or other obligations of the authority. The rights of creditors shall be solely against the authority. The authority, itself or by contract, shall defend board members and shall indemnify and hold harmless board members, whether currently employed by the authority or not, against and from any and all personal liabilities, actions, causes of action and any and all claims made against them for whatever actions they perform within the scope of their duties as board members.

(g) Meetings.—Regular meetings of the board shall be held at least once in each calendar month except July or August, the time and place of the 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.

(h) Abandonment.—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.

(i) Definition.—As used in this section, the term “actions by or on behalf of the board” means any action whatsoever of the board, including the hiring, appointment, removal, transfer, promotion or demotion of any officers and employees, the retention, use or remuneration of any advisors, counsel, auditors, architects, engineers or consultants, the initiation of any legal action, the making of any contracts, leases, agreements, bonds, notes

or covenants, the approval of requisitions, purchase orders, investments and reinvestments and the adoption, amendment, revision or rescission of any rules and regulations, orders or other directives.

§ 5911.1. Labor relations advisory committee.

(a) Establishment and composition.—There is hereby established a labor relations advisory committee. The committee shall consist of:

- (1) 16 members appointed by the board.
- (2) Six members from labor unions.
- (3) Six representatives of contractors. No more than one representative can come from a specific contractor.
- (4) Four individuals with experience in negotiating labor agreements.

(b) Terms.—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) Subjects to be submitted.—Regardless of whether public hearings are required on the matters described in this subsection, the board shall submit to the committee proposals regarding the labor relations of the convention center and contractors. The committee may thoroughly consider the proposals and may prepare and transmit to the board 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) Nature of committee's comments.—Although the board shall give careful and due consideration to the committee's comments prior to the taking of any final action, the comments shall be considered only advisory in nature.

§ 5912. Sovereign immunity.

It is declared to be the intent of the General Assembly that the authority created pursuant to this chapter and its officers, officials and employees shall enjoy sovereign and official immunity as provided in 1 Pa.C.S. § 2310 (relating to sovereign immunity reaffirmed; specific waiver) and shall remain immune from suit except as provided by and subject to the provisions of 42 Pa.C.S. §§ 8501 (relating to definitions) through 8528 (relating to limitations on damages). Notwithstanding the provisions of 42 Pa.C.S. § 8525 (relating to legal assistance), the authority through its counsel shall defend actions brought against the authority and its officers and employees when acting within the scope of their official duties.

§ 5913. Moneys of authority.

(a) Paid to treasurer.—All money of the authority, from whatever source derived, shall be paid to the treasurer of the authority.

(b) Funds to be invested.—The board shall invest authority funds consistent with sound business practice.

(c) Investment program.—The board shall provide for an investment program subject to restrictions contained in this chapter and in any other applicable statute and any rules and regulations adopted by the board.

(d) Authorized types of investments.—Authorized types of investments for authority funds shall be:

(1) Direct obligations of or obligations guaranteed by the United States of America.

(2) Any bond, debenture, note, participation certificate or other similar obligation issued by any one or combination of the following agencies:

- (i) Government National Mortgage Corporation.
- (ii) Federal Land Banks.
- (iii) Federal Home Loan Banks.
- (iv) Federal Intermediate Credit Banks.
- (v) Banks for Cooperatives.
- (vi) The Tennessee Valley Authority.
- (vii) The United States Postal Service.
- (viii) The Farmers Home Administration.
- (ix) The Student Loan Marketing Association.
- (x) The Export-Import Bank of the United States.

(3) Any bond, debenture, note, participation certificate or other similar obligation issued by the Federal National Mortgage Corporation to the extent the obligations are guaranteed by the Government National Mortgage Corporation or issued by any other Federal agency and backed by the full faith and credit of the United States of America.

(4) Deposits in interest-bearing time or demand deposits, or certificates of deposit, fully insured by the Federal Deposit Insurance Corporation or its successor or the Federal Savings and Loan Insurance Corporation or its successor or fully secured by any of the obligations described above to the extent not so insured.

(5) Repurchase agreements relating to or investment agreements secured by or providing for the acquisition and resale of obligations described in paragraphs (1) through (4) or obligations of Federal Home Loan Mortgage Corporation or Federal National Mortgage Association, with:

- (i) banks or trust companies, including any banking entity or depository;
- (ii) brokers or broker-dealers registered under the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. §§ 78a-78jj) acceptable to the authority; or
- (iii) insurance companies rated A+ or better by Best's having a net capital and surplus of at least \$25,000,000 or certificates of deposit with banks or trust companies fully secured as to principal and accrued interest by obligations described in paragraphs (1) through (4) deposited with or subject to the control of the authority.

(6) Money market deposit accounts of banks or trust companies having a net capital and surplus of at least \$25,000,000, including any banking entity or depository.

(7) The description of authorized investments as set forth in paragraphs (5) and (6) shall only be met if the agreements referenced in paragraphs (5) and (6) provide for the repayment of the principal amount invested at an amount not less than that invested. Whenever security is required as set forth in paragraphs (4) through (6), security shall be deposited with the treasurer of the authority or be held by a trustee or agent satisfactory to the authority. Money of the authority shall be paid out on the warrant or other order of the chairman of the authority or of any other person the authority authorizes to execute the warrants or orders.

(e) Annual report to be filed; annual audits.—Within 90 days following the end of the fiscal year, an authority shall file an annual report with the Department of Community and Economic Development, the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives and with the city which shall make provisions for the accounting of revenue and expenses. The authority shall have its books, accounts and records audited annually in accordance with generally accepted auditing standards by an independent auditor who shall be a certified public accountant or competent public accountant, and a copy of the audit report shall be attached to and be made a part of the annual report. A concise financial statement shall be published annually in the Pennsylvania Bulletin. If the authority fails to make an audit, then the controller, auditors or accountants designated by the city are authorized to examine, at the expense of the authority, the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its finances, operations and affairs.

(f) Power of inspection.—The Attorney General, Auditor General, Secretary of the Budget and the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives shall have the right to examine the books, accounts and records of the authority.

§ 5914. Transfer of existing facilities or funds; making of annual grants and lease payments to authority; Commonwealth bonds.

(a) Authority granted.—

(1) Any State public body, political subdivision or the city may sell, lease or sublease from or to, lend, grant, convey or otherwise transfer or pay over to the authority, with or without consideration, any of the following:

(i) A convention center or parts of a convention center.

(ii) Any interest in property, real, personal or mixed, tangible or intangible.

(iii) Any funds available, needed or obligated for development, acquisition, design, maintenance, management, operation, financing, leasing or subleasing construction or improvement purposes. This subparagraph includes the proceeds of bonds previously or hereafter issued for construction or improvement of a convention center or parts of a convention center.

(2) Any property, funds or convention center or parts of a convention center received by the authority may be used for any lawful purpose of the authority.

(3) Nothing in this chapter nor in any other law shall be deemed to make any authority or any persons, State-supported or State-aided institutions under any laws of this Commonwealth.

(b) Grants authorized.—

(1) The city may do any of the following:

(i) Make grants from current revenue to the authority.

(ii) Assist in defraying the cost of management, operation, maintenance, financing and debt service of a convention center or parts of a convention center.

(iii) Enter into long-term agreements providing for the payment of grants made or costs defrayed under subparagraph (i) or (ii).

(iv) Enter into long-term leases or subleases as lessee or sublessee of all or part of a convention center.

(2) Obligations of the city to make grants, lease or sublease payments to an authority shall not, even if based on debt obligations of an authority, constitute debts of the city within the meaning of any constitutional or statutory provision and shall be payable only to the extent that current revenues of the city are available.

(3) The city may issue general obligation bonds for the purpose of obtaining funds for local contributions pertaining to convention centers or parts of convention centers.

(c) Redevelopment assistance project.—The Commonwealth may contribute to the capital costs of constructing a convention center by the issuance of Commonwealth bonds and notes pursuant to the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act. A convention center project undertaken by the authority is deemed to be a redevelopment assistance project for which capital funds of the Commonwealth may be expended pursuant to the provisions of the act of May 20, 1949 (P.L.1633, No.493), known as the Housing and Redevelopment Assistance Law, and, notwithstanding any provisions of the Housing and Redevelopment Assistance Law, the Department of Community and Economic Development is authorized to make capital grants directly to the authority in furtherance of this chapter.

§ 5915. Award of contracts.

(a) **Lowest responsible bidder.**—All construction, reconstruction, repairs or work of any nature made by the authority where the entire cost, value or amount of construction, reconstruction, repairs or work, including labor and materials, shall exceed \$4,000, except construction, reconstruction, repairs or work done by employees of the authority or by labor supplied under agreement with any Federal agency, State public body, political subdivision or city with supplies and materials purchased as provided in this chapter, shall be done only under contract or contracts to be entered into by the authority with the lowest responsible bidder upon proper terms, after due public notice has been given asking for competitive bids as provided in this chapter, but the authority shall have the right to reject any or all bids or select a single item from any bid. No contract shall be entered into for construction or improvement or repair of any project or portion of a project unless the contractor shall provide sufficient surety or sureties approved by the authority, and in an amount fixed by the authority, for the performance of the contract. All contracts shall provide, among other things, that the person or corporation entering into the contract with the authority will pay for all materials furnished and services rendered for the performance of the contract and that any person or corporation furnishing materials or rendering services may maintain an action to recover for the same against the obligor in the undertaking as though the person or corporation was named in the undertaking, provided the action is brought within one year after the time the cause of action accrued. Nothing in this section shall be construed to limit the power of the authority to construct, repair or improve any project or portion of a project or any addition, betterment or extension to a project, directly by the officers and employees of the authority. The authority may award the construction, expansion or substantial renovation of a convention center as a single bid project without regard to the provisions of the act of May 1, 1913 (P.L.155, No.104), entitled “An act regulating the letting of certain contracts for the erection, construction, and alteration of public buildings,” and shall not be subject to the former act of November 26, 1978 (P.L.1309, No.317), entitled “An act regulating the awarding and execution of certain public contracts; providing for contract provisions relating to the retention, interest, and payment of funds payable under the contracts; and repealing inconsistent acts,” or 62 Pa.C.S. (relating to procurement). Nothing in this section or any other law of this Commonwealth shall require the authority to competitively bid architectural design, engineering, construction management or other professional services required by the authority.

(b) **Supplies and materials.**—All supplies and materials costing \$4,000 or more to be acquired directly by the authority shall be purchased only after due advertisement as provided in this chapter. The authority shall accept the lowest bid or bids from a responsible bidder, kind, quality and material being equal, but the authority shall have the right to reject any or all bids or

select a single item from any bid. The provisions as to bidding shall not apply to the purchase of unique supplies and materials or supplies and materials which cannot be obtained in the open market.

(c) Management prerogatives.—Nothing in this section or in any other law of the Commonwealth shall preclude the board, with the approval of seven members or a majority, whichever is larger, from negotiating contracts for management, operation, concession services, licensing or leasing of a convention center, or any part of a convention center. The authority shall not award any contract to any manager, operator, concessionaire, licensee, lessee or lessor that exceeds three years in duration unless seven members of the board or a majority, whichever is larger, approve the awarding of a contract for a greater period of time.

(d) Application of city ordinances.—The authority, its contractors, subcontractors, assignees, lessees, agents, vendors and suppliers shall not be subject to any city laws, ordinances, rules or regulations relating to any limits or preferences with regard to employment, contracting or procurement in the construction and operation of the convention center.

(e) Steel products.—The authority shall be subject to the act of March 3, 1978 (P.L.6, No.3), known as the Steel Products Procurement Act, and 62 Pa.C.S. Ch. 37 Subch. B (relating to motor vehicles).

(e.1) Waiver of notice.—Public notice under this section may be waived if the authority determines an emergency exists and the supplies and materials must be purchased immediately by the authority.

(f) Definitions.—As used in this section, the term “advertisement” or “public notice” means a notice published at least ten days before the award of any contract in a newspaper of general circulation published in the city.

§ 5916. Interests of public officers, public employees and party officers.

(a) Restrictions upon authority management-level employees.—

(1) No party officer, public officer, public official, public employee or a member of the immediate family of a party officer, public officer or public official shall be employed as a management-level authority employee. Notwithstanding the provisions of this paragraph, any member of the Governor’s cabinet and the chief financial officer of the city in which the convention center is located and any other member of the mayor’s cabinet may serve on the governing board of the authority as provided by section 5911 (relating to governing board).

(2) No person convicted of an infamous crime shall be a member of the board or employed as a management-level employee by the authority.

(b) Restricted activities; statement of financial interests; public meetings and records.—The provisions of 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial disclosure) and section 10 of the act of October 4, 1978 (P.L.883, No.170), referred to as the Public Official and Employee Ethics Law, and the act of July 19, 1957 (P.L.1017, No.451), known as the State Adverse Interest Act, are specifically applicable to board members, officers and employees of the authority. For the purposes of application of

those acts, employees of the authority shall be regarded as public employees of the Commonwealth, and officers or board members of the authority shall be regarded as public officials of the Commonwealth, whether or not they receive compensation. The authority shall also be subject to 65 Pa.C.S. Ch. 7 (relating to open meetings) and the act of June 21, 1957 (P.L.390, No.212), referred to as the Right-to-Know Law.

(c) Conflicts of interest.—Notwithstanding the provisions of subsection (b), the following prohibitions shall apply to the authority created by this chapter:

(1) No management-level employee or other employee of the authority shall use his position with the authority, or any confidential information received through his position with the authority, to obtain financial gain other than compensation provided by law for himself, a member of his immediate family or a business with which he is associated.

(2) No person shall offer or give to a board member, a management-level employee or other employee of the board or a member of his immediate family or a business with which he is associated, and no board member, management-level employee or other employee of the board shall solicit or accept, anything of value, including a gift, loan, political contribution, reward or promise of future employment, based on any understanding that the vote, official action or judgment of the board member, management-level employee or other employee of the board would be influenced thereby.

(3) No board member, management-level employee or other employee of the board or a member of his immediate family or any business in which the person or a member of the person's immediate family is a director, officer, owner or holder of stock exceeding 5% of the equity at fair market value of the business shall enter into any contract valued at \$500 or more to provide goods or services to the authority unless the contract has been awarded to the lowest responsible bidder through an open and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded.

(4) No former board member, management-level employee or other employee of the board shall represent a person, with or without compensation, on any matter before the authority with which he has been associated for one year after he leaves the authority.

(5) Neither an individual who is a State, city or county public officer or public official or any party officer or member of the immediate family of such individual nor a business with which such individual or member of the individual's immediate family is associated shall have a financial interest in any contract valued at \$500 or more to provide goods or services to the authority either during the time the person holds office or for two years after the person terminates office unless the contract is

executed pursuant to the provisions of paragraph (3). For purposes of this paragraph, the term "financial interest" does not include employment by, association with or ownership of a business association unless the public officer, public official, party officer or member of the immediate family of the individual owns shares of stock in a corporation in an amount in excess of 5% of the total issue for the stock of the corporation or has an ownership interest in any noncorporate business association in an amount in excess of 5% of the total ownership of a noncorporate business association.

(6) No board member, management-level employee or other employee of the board or an advisor or consultant to the State, city or the county having recommended to the authority which he serves either the making of a contract relating to a convention center authority or a course of action of which the making of such a contract is an express or implied part shall, at any time thereafter, have an adverse interest in the contract.

(7) No board member, management-level employee or other employee of the authority, the State, the city or the county shall influence or attempt to influence the making of or supervise or in any manner deal with any contract with the authority in which the employee has an adverse interest.

(8) No board member, management-level employee or other employee shall have an adverse interest in any contract with the authority.

(9) No person having an adverse interest in a contract with the authority shall become a board member, management-level employee or other employee of the authority until the adverse interest has been wholly divested.

(10) No board member, management-level employee or other employee of the authority, the State, the city or the county, except in the performance of his duties as such employee, shall for remuneration, directly or indirectly, represent any other person upon any matter pending before the authority.

(d) Enforcement; penalties.—

(1) Any person who violates the provisions of this section shall have employment by the authority or membership on the board terminated immediately by the appropriate person having the power to terminate and shall be liable to the authority to reimburse the authority for all compensation received from the authority while employed in violation of subsection (a).

(2) Any person who violates the provisions of subsection (c)(1) or (2) is guilty of a felony and shall be fined not more than \$10,000 or imprisoned for not more than five years or be both fined and imprisoned.

(3) Any person who violates the provisions of subsection (c)(3) through (10) is guilty of a misdemeanor and shall be fined not more than

\$1,000 or imprisoned for not more than one year or be both fined and imprisoned.

(4) Any person who obtains financial gain from violating any provisions of subsection (c), in addition to any other penalty provided by law, shall pay into the accounts of the authority a sum of money equal to three times the financial gain resulting from the violation.

(5) Any person who violates the provisions of subsection (c) shall be barred for a period of five years from engaging in any business or contract with the authority, the State, the city and any political subdivision.

(6) Any employee of the State, city or any political subdivision or any public officer or public official who violates subsection (c) shall automatically forfeit any office or employment the employee holds.

(7) The penalties and sanctions provided by this section shall supersede any similar penalties and sanctions provided by the Public Official and Employee Ethics Law and State Adverse Interest Act.

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

“Business.” Any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint-stock company, receivership, trust or any legal entity organized for profit or as a not-for-profit corporation or organization.

“Business with which he is associated.” Any business in which the person or a member of the person’s immediate family is a director, officer, owner, employee or holder of stock.

“County.” A county within the Philadelphia Metropolitan Statistical Area as defined in this chapter.

“Immediate family.” A parent, spouse, child, brother, sister or like relative-in-law.

“Infamous crime.” Any violation and conviction for an offense which would disqualify an individual from holding public office pursuant to section 6 of Article II of the Constitution of Pennsylvania, or any conviction for a violation of this section, 18 Pa.C.S. § 4113 (relating to misapplication of entrusted property and property of government or financial institutions) or 18 Pa.C.S. Ch. 47 (relating to bribery and corrupt influence), 49 (relating to falsification and intimidation), 51 (relating to obstructing governmental operations) or 53 (relating to abuse of office), or any other violation of the laws of this Commonwealth for which an individual has been convicted within the preceding ten years and which is classified as a felony or a similar violation of the law of any other state or the Federal Government.

“Management-level authority employee.” The counsel employed by the authority, the executive director of the authority and any authority employee with discretionary powers which may affect the outcome of the authority’s decision in relation to a private corporation or business or any employee

who by virtue of his job function could influence the outcome of such a decision.

“Party officer.” The following members or officers of any political party:

- (1) a member of a national committee;
- (2) a chairman, vice chairman, secretary, treasurer or counsel of a State committee or member of the executive committee of a State committee;
- (3) a county chairman, vice chairman, counsel, secretary or treasurer of a county committee; or
- (4) a city chairman, vice chairman, counsel, secretary or treasurer of a city committee.

“Person.” A business, individual, corporation, union, association, firm, partnership, committee, club or other organization or group of persons.

“Public employee.” Any individual employed by the Commonwealth or a political subdivision who is responsible for taking or recommending official action of a nonministerial nature with regard to:

- (1) contracting or procurement;
 - (2) administering or monitoring grants or subsidies;
 - (3) planning or zoning;
 - (4) inspecting, licensing, regulating or auditing any person; or
 - (5) any other activity where the official action has an economic impact of greater than a de minimis nature on the interest of any person.
- A public employee shall not include individuals who are employed by the State or any political subdivision in teaching as distinguished from administrative duties.

“Public officer.” Every person elected to any public office of the Commonwealth or any political subdivision.

“Public official.” Any elected or appointed official in the executive, legislative or judicial branch of the State or any political subdivision. The term does not include members of advisory boards who have no authority to expend public funds other than reimbursement for personal expense or to otherwise exercise the power of the State or any political subdivision. The term does not include any appointed official who receives no compensation other than reimbursement for actual expenses.

§ 5917. Acquisition of lands.

(a) Power.—If the authority deems it necessary for a purpose under this chapter, the authority has the power to acquire any of the following with respect to land within the city by purchase or eminent domain proceedings:

- (1) A fee.
- (2) Any right, title, interest or easement.

(b) Procedure.—The right of eminent domain shall be exercised by the authority in the manner provided by the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the Eminent Domain Code.

§ 5918. Use and operation of convention center.

The use and operation of the convention center and any parts of a convention center and the operation of the business of the authority shall be subject to the rules and regulations adopted by the authority. The authority shall not be authorized to do anything which will impair the security of the obligees of the authority or violate any agreements with them or for their benefit or violate any contracts, leases or other agreements awarded, made or entered into by the authority.

§ 5919. Limitation of powers.

(a) Commonwealth pledge.—The Commonwealth pledges to and agrees with any person, the city, political subdivision or Federal agency subscribing to or acquiring the bonds to be issued by the authority for the construction or improvement of a convention center or parts of a convention center that the Commonwealth will not limit or alter the rights vested in the authority in any manner inconsistent with the obligations to the bondholders until all bonds, together with the interest on the bonds, are fully paid and discharged. The Commonwealth further pledges to and agrees with any Federal agency that, in the event any Federal agency shall construct or contribute any funds for the construction or improvement of a convention center or parts of a convention center, the Commonwealth will not alter or limit the rights and powers of the authority in any manner which would be inconsistent with the due performance of any agreements between the authority and the Federal agency.

(b) Additional Commonwealth pledge.—The Commonwealth pledges to and agrees with any person that, as owner of a convention center, leases or subleases a convention center or parts of a convention center to or from an authority created pursuant to this chapter, that the Commonwealth will not limit or alter the rights and powers vested by this chapter in the authority or otherwise created by this chapter in any manner which impairs the obligations of the authority until all obligations of the authority under the lease or sublease are fully met and discharged.

§ 5920. Exemption from taxation.

The effectuation of the authorized purposes of authorities created under this chapter shall be in all respects for the benefit of the people of this Commonwealth, for the increase of their commerce and prosperity and for the improvement of their health and living conditions. Since authorities will, as public instrumentalities of the Commonwealth, be performing essential governmental functions, in effectuating such purposes, authorities shall not be required to pay any taxes or assessments upon a convention center or part of a convention center or upon property acquired or used or permitted to be used by authorities for such purposes. Bonds issued by an authority and the transfer of and income from bonds, including profit made on the sale of bonds, shall be free from State and local taxation within this Commonwealth. This exemption shall not extend to gift, estate, succession or inheritance taxes or any other taxes not levied directly on the bonds, the

transfer of bonds, the income from bonds or the realization of profits on the sale of bonds.

§ 5921. Lease by authorities.

A convention center or part of a convention center established under this chapter may be leased or subleased by the authority to and from the city. The city is empowered to enter into leases, subleases or both. A lease or sublease may be made for a specified or unlimited time and on any terms and conditions approved by the city and agreed to by the authority in conformity with its contracts with the holders of any bonds.

§ 5922. Cooperation.

(a) State public bodies and political subdivisions may cooperate.—For the purpose of aiding and cooperating with the authority and in the planning, acquisition, clearance, relocation, development, design, construction, rehabilitation, leasing, subleasing, alteration, expansion, financing, improvement, management or operation of a convention center or parts of a convention center, any State public body, political subdivision or the city may, upon terms with or without consideration, as it determines, do any of the following:

(1) Dedicate, sell, convey, lease or otherwise transfer any of its property or any interest in its property, real, personal or mixed, tangible or intangible, to the authority.

(2) Cause parking, recreational or community facilities or any other works which it is otherwise empowered to undertake to be furnished in or adjacent to any area selected for a convention center or parts of a convention center.

(3) Furnish, dedicate, close, pave, install, grade, regrade, plan or replan streets, roads, roadways, alleys, sidewalks or other places which it is otherwise empowered so to do.

(4) Enter into agreements extending over any period with the authority or with the Federal Government respecting action to be taken by any State public body pursuant to any of the powers granted by this section.

(5) Do all things necessary or convenient to aid and cooperate in the development, acquisition, design, construction, improvement, maintenance, management, operation, furnishing, fixturing, equipping, repairing, financing, owning, leasing and subleasing of a convention center or parts of convention center.

(6) In connection with any public improvements made by any State public body, political subdivision or the city, in exercising the powers granted in this subsection, to incur the entire expense of the improvement.

(a.1) Documents.—The Secretary of General Services is authorized, with the approval of the Governor and Attorney General, to execute and deliver on behalf of the Commonwealth conveyances, deeds and leases authorized under this chapter.

(b) City may contract with authority.—In connection with a convention center or parts of a convention center the city may contract with the authority or the Federal Government with respect to any sums which the authority or the Federal Government may agree to pay during any year or period of years to the city for the improvements, services and facilities to be provided by it for the benefit of the authority, convention center or parts of a convention center or the persons occupying such area. The absence of a contract for such payments shall not relieve the city from the duty to furnish for the benefit of the authority, convention center or parts of a convention center or the persons occupying the area customary improvements and services and facilities as the city usually furnishes without a service fee.

(c) State and city may designate authority as its agent.—The State or the city may, by written agreement, designate the authority as its agent within the authority's field of operation to perform any specified activity or to administer any specified program which the State or the city is authorized by law to do. Any such activities or programs must be in furtherance of the public purposes specified in this chapter. Such activities include development, acquisition, design, construction, improvement, maintenance, leasing, management or operation of a convention center or parts of a convention center.

(d) Powers in addition to other powers.—The powers conferred by this section shall be in addition and supplemental to the powers conferred by any other law.

§ 5923. Hotel room rental tax.

(a) Imposition of tax.—The council of the city in which the convention center is located is authorized to impose an excise tax on the consideration received by each operator of a hotel within the city from each transaction of renting a room or rooms to accommodate transients. The tax shall be collected by the operator from the patron of the room and paid over to the city pursuant to subsection (e) and shall be known as the Hotel Room Rental Tax.

(b) Rate of tax.—

(1) The rate of tax imposed under this section by the council of the city in which the convention center is located shall not exceed six percent.

(2) The total rate of tax imposed pursuant to this section and section 202 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall not exceed 12%. In the event the rate of tax imposed pursuant to section 202 of the Tax Reform Code of 1971 exceeds 6% and the rate of tax imposed pursuant to this section has reached 6%, the rate of tax imposed pursuant to this section shall be reduced in order that the aggregate tax rate not exceed 12%.

(c) Distribution of tax revenue.—There shall be annually deposited in the special fund, established pursuant to subsection (d), for the use of tourist promotion agencies for tourist promotion agency activities:

(1) Thirty-three and one-third percent of all revenue received pursuant to this section for the fiscal year of the city commencing on or after July 1, 1999, and each fiscal year thereafter ending prior to July 1, 2010.

(2) Twenty-nine and one hundred and sixty-six one thousandths percent of all revenue received pursuant to this section for the fiscal year of the city commencing on or after July 1, 2010, and each fiscal year thereafter ending prior to July 1, 2015.

(3) Twenty-five percent of all revenue received pursuant to this section for the fiscal year of the city commencing July 1, 2015, and thereafter. The balance of revenue to be received from taxes imposed pursuant to this section shall be deposited annually in the special fund, established pursuant to subsection (d), for the use of the authority for convention center purposes.

(d) Deposit.—The tax collector of each city electing to impose the tax authorized under this section is directed to collect the tax and to deposit the revenue received from the tax in special funds established for purposes set forth in this section. Interest on money deposited in the funds shall accrue proportionately to the respective funds as provided in this section. The tax collector is authorized to establish rules and regulations concerning the collection of the tax.

(e) Expenditures.—Expenditures from the funds established pursuant to subsection (d) for the tourist promotion agency shall be used by the designated tourist promotion agency for:

- (1) advertising and publicizing tourist attractions in the area served by the agency;
- (2) promoting and attracting conventions, exhibitions and other functions to utilize facilities in the area served by the agency;
- (3) promoting and otherwise encouraging the use of the facilities in the area served by the agency by the public as a whole; and
- (4) costs associated with the development and operation of the convention center.

(f) Expenditures for convention center purposes.—Expenditures from the fund established pursuant to subsection (d) for the authority shall be used by the authority for the following uses:

- (1) Projected annual debt service or lease payments of the convention center authority.
- (2) Costs associated with financing, constructing, improving, maintaining, furnishing, fixturing and equipping the convention center.
- (3) Costs associated with the development of the convention center, including design, engineering and feasibility costs.
- (4) Costs associated with the operation and management of the convention center.
- (5) Costs associated with promoting, marketing and otherwise encouraging use of the convention center.

(6) General purposes of the convention center.

(g) Pledge to bondholders.—If and to the extent that the authority pledges its share of the proceeds of the tax authorized by this section as security for the payment of bonds issued by the authority for convention center purposes, the Commonwealth pledges to and agrees with any person, firm or corporation subscribing to or acquiring bonds to be issued by the authority for convention center purposes that the Commonwealth itself will not, except to the extent provided in subsection (b), nor will it authorize any city to reduce the rate of tax imposed for convention center purposes until all bonds secured by the pledge of the authority, together with the interest on the bonds, are fully met and discharged.

(h) Tax year.—Each tax year for any tax imposed hereunder shall run concurrently with the city's fiscal year.

(i) Definitions.—In addition to the definitions provided by section 5903 (relating to definitions), the following words and phrases when used in this section shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

“Consideration.” Receipts, fees, charges, rentals, leases, cash, credits, property of any kind or nature, or other payment, received by operators in exchange for or in consideration of the use or occupancy by a transient of a room or rooms in a hotel for any temporary period.

“Hotel.” As follows:

(1) Any hotel, motel, inn, guesthouse or other building located within the city which holds itself out by any means, including advertising, license, registration with any innkeeper's group, convention listing association, travel publication or similar association or with any government agency, as being available to provide overnight lodging or use of facility space for consideration to individuals seeking temporary accommodation.

(2) Any place which advertises to the public at large or any segment of the public that it will provide beds, sanitary facilities or other space for a temporary period to members of the public at large.

(3) Any place recognized as a hostelry.

The term does not include a portion of a facility which is devoted to individuals who have established permanent residence.

“Occupancy.” The use or possession or the right to the use or possession by any person other than a permanent resident of any room in a hotel for any purpose or the right to the use or possession of the furnishings or to the services accompanying the use and possession of the room.

“Operator.” Any individual, partnership, nonprofit or profit-making association or corporation or other person or group of persons that maintains, operates, manages, owns, has custody of or otherwise possesses the right to rent or lease overnight accommodations in a hotel to the public for consideration.

“Patron.” A person that pays the consideration for the occupancy of a room or rooms in a hotel.

“Permanent resident.” Any person who has occupied or has the right to occupy any room or rooms in a hotel as a patron or otherwise for a period exceeding 30 consecutive days.

“Room.” A space in a hotel set aside for use and occupancy by patrons, or otherwise, for consideration, having at least one bed or other sleeping accommodations provided in the space.

“Temporary.” A period of time not exceeding 30 consecutive days.

“Tourist promotion agency.” The agency designated by the council of the city in which the convention center is located to be eligible for grants from the Department of Community and Economic Development pursuant to the act of April 28, 1961 (P.L.111, No.50), known as the Tourist Promotion Law.

“Transaction.” The activity involving the obtaining by a transient or patron of the use or occupancy of a hotel room from which consideration emanates to the operator under an express or an implied contract.

“Transient.” An individual who obtains an accommodation in a hotel for the individual by means of registering at the facility for the temporary occupancy of any room for the personal use of that individual by paying to the operator of the facility a fee in consideration for the use.

Section 8. Repeals are as follows:

(1) The act of December 20, 1967 (P.L.869, No.385), known as the Public Works Contractors’ Bond Law of 1967, is repealed insofar as it is inconsistent with the addition of 53 Pa.C.S. Ch. 58.

(2) The following acts and parts of acts are repealed absolutely:

(i) The act of June 27, 1986 (P.L.267, No.70), known as the Pennsylvania Convention Center Authority Act.

(ii) Section 209(k) of the act of June 5, 1991 (P.L.9, No.6), known as the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class.

(iii) 66 Pa.C.S. § 510(b)(5).

(iv) 66 Pa.C.S. § 1103(c).

(v) 66 Pa.C.S. Ch. 24.

Section 9. The addition of 53 Pa.C.S. Ch. 59 is a continuation of the act of June 27, 1986 (P.L.267, No.70), known as the Pennsylvania Convention Center Authority Act. The following apply:

(1) Except as otherwise provided in 53 Pa.C.S. Ch. 59, all activities initiated under the Pennsylvania Convention Center Authority Act shall continue and remain in full force and effect and may be completed under 53 Pa.C.S. Ch. 59. Orders, regulations, rules and decisions which were made under the Pennsylvania Convention Center Authority Act and which are in effect on the effective date of section 8(2)(i) of this act shall remain in full force and effect until revoked, vacated or modified under 53 Pa.C.S. Ch. 59. Contracts, obligations and collective bargaining

agreements entered into under the Pennsylvania Convention Center Authority Act are not affected nor impaired by the repeal of the Pennsylvania Convention Center Authority Act.

(2) Except as set forth in paragraph (3), any difference in language between 53 Pa.C.S. Ch. 59 and the Pennsylvania Convention Center Authority Act is intended only to conform to the style of the Pennsylvania Consolidated Statutes and is not intended to change or affect the legislative intent, judicial construction or administration and implementation of the Pennsylvania Convention Center Authority Act.

(3) Paragraph (2) does not apply to any of the following provisions of 53 Pa.C.S.:

(i) The addition of:

(A) The definition of "expansion or substantial renovation" in § 5903.

(B) § 5905(23.1).

(C) § 5906.1.

(D) § 5911.1.

(ii) The amendment of:

(A) § 5906(d) and (e).

(B) § 5907(a)(3)(ii).

(C) § 5911.

(D) § 5913(e).

(E) § 5915(a) and (c).

(F) § 5916(a)(1) and (2), (c)(2), (3), (4), (6), (7), (8), (9) and (10), (d)(1) and the definition of "management-level authority employee" in subsection (e).

(G) § 5923(b)(1) and (c).

Section 10. Existing and new members of the governing board shall continue to serve and be appointed as follows:

(1) The two members appointed by the boards of county commissioners or county councils pursuant to section 11(a)(1) of the act of June 27, 1986 (P.L.267, No.70), known as the Pennsylvania Convention Center Authority Act, or members appointed by the boards of county commissioners or county councils as replacements pursuant to section 11(b) of the Pennsylvania Convention Center Authority Act shall continue to serve as board members until their terms are complete. Upon the effective date of 53 Pa.C.S. § 5911(a)(1), the boards of county commissioners or county councils shall appoint two members pursuant to 53 Pa.C.S. § 5911(a)(1).

(2) The two members appointed by the Governor pursuant to section 11(a)(2) of the Pennsylvania Convention Center Authority Act or members appointed by the Governor as replacements pursuant to section 11(b) of the Pennsylvania Convention Center Authority Act shall continue to serve as board members until their terms are complete. Upon the effective date of 53 Pa.C.S. § 5911(a)(2), the President pro tempore

of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives shall each appoint one member pursuant to 53 Pa.C.S. § 5911(a)(2).

(3) The two members appointed by the chief executive officer of the city in which the convention center is located pursuant to section 11(a)(3) of the Pennsylvania Convention Center Authority Act or members appointed by the chief executive officer of the city in which the convention center is located as replacements pursuant to section 11(b) of the Pennsylvania Convention Center Authority Act shall continue to serve as board members until their terms are complete. The chief executive officer of the city in which the convention center is located shall appoint one member pursuant to 53 Pa.C.S. § 5911(a)(3) and one member pursuant to § 5911(a)(4) upon the completion of the terms of the members appointed pursuant to section 11(a)(3) of the Pennsylvania Convention Center Authority Act or replacements appointed pursuant to section 11(b) of the Pennsylvania Convention Center Authority Act.

(4) The two members appointed by the council of the city in which the convention center is located pursuant to section 11(a)(4) of the Pennsylvania Convention Center Authority Act or members appointed by the council of the city in which the convention center is located as replacements pursuant to section 11(b) of the Pennsylvania Convention Center Authority Act shall continue to serve as board members until their terms are complete. The council of the city in which the convention center is located shall appoint two members pursuant to 53 Pa.C.S. § 5911(a)(5) upon the completion of the terms of the members appointed pursuant to section 11(a)(4) of the Pennsylvania Convention Center Authority Act or replacements appointed pursuant to section 11(b) of the Pennsylvania Convention Center Authority Act.

Section 11. The following provisions shall not apply to or affect the validity of any contract otherwise within the purview of such provisions entered into by the Pennsylvania Public Utility Commission prior to the effective date of this section:

- (1) The addition of 53 Pa.C.S. § 5505(d)(23).
- (2) The amendment of 53 Pa.C.S. § 5508.1(o).
- (2.1) The addition of 53 Pa.C.S. § 5508.2.
- (3) The addition of 53 Pa.C.S. §§ 5510.1 through 5510.11.
- (4) The addition of 53 Pa.C.S. Ch. 57.
- (5) Section 8(2)(iii), (iv) and (v).
- (6) Section 12 of this act.
- (7) Section 13 of this act.
- (8) Section 15 of this act.

Section 12. The following provisions do not affect any act done, liability incurred or right accrued or vested or affect any civil or criminal proceeding

pending or to be commenced to enforce any right or penalty or punish any offense under any provision of law repealed by section 8(2) of this act:

- (1) The amendment of 53 Pa.C.S. § 5508.1(o).
- (1.1) The addition of 53 Pa.C.S. § 5508.2.
- (2) The addition of 53 Pa.C.S. §§ 5510.1 through 5510.11.
- (3) The addition of 53 Pa.C.S. Ch. 57.
- (4) The provisions of 66 Pa.C.S. §§ 510(b)(5) and 1103(c) and Ch. 24.
- (5) Section 11 of this act.
- (6) Section 13 of this act.
- (7) Section 15 of this act.

Section 13. The following shall apply:

(1) The Pennsylvania Public Utility Commission's appropriations, allocations, documents, records, equipment, materials, powers, duties, contracts, rights and obligations which are utilized or accrue in connection with the functions under 66 Pa.C.S. Ch. 24 and in connection with limousine regulation in cities of the first class shall be transferred to the Philadelphia Parking Authority in accordance with an agreement between the commission and the authority.

(2) Regulations, orders, programs and policies of the commission under 66 Pa.C.S. Ch. 24 and concerning limousine service regulation within cities of the first class shall remain in effect until specifically amended, rescinded or altered by the authority.

(3) The State Treasurer shall coordinate with the authority and transfer the First Class City Taxicab Regulatory Fund to the authority. Upon transfer, fiduciary responsibility over the fund shall pass from the State Treasurer to the authority.

(4) The commission shall assist the authority to prepare for the transfer and to ensure a smooth transition with as little disruption as possible to public safety, consumer convenience and the impacted industries.

(5) As soon as is practical but no later than 45 days after the effective date of this paragraph and notwithstanding any other law to the contrary, the authority shall appoint a current agent or employee on its payroll or hire or contract out for one to coordinate and spearhead the effort of the authority to prepare for the transfer.

(6) On January 1, 2004, subject to negotiations between the commission and the authority, the authority shall notify all current employees of the commission whose jobs would be impacted by the transfer of its intention to hire. All employees who receive and accept offers to be transferred shall be employees of the authority and the authority shall make provisions to transfer longevity credits, payroll credits and other personnel benefits, except for retirement accounts, in a fair and reasonable manner. Notwithstanding the provisions of 53 Pa.C.S. §§ 5505(d)(8) and (20) and 5508.1(1), any ordinance of any city

of the first class or any agreement or contract between a city of the first class and the authority, the pension and retirement rights of employees of the commission at the time of the transfer whose jobs are impacted by the transfer and who receive and accept offers to be transferred and be employees of the authority upon the transfer of the funds and programs pursuant to this section shall be determined by the provisions of 71 Pa.C.S. Pt. XXV, known as the State Employees' Retirement Code, and for such employees the authority shall have the obligations and duties of employers under the State Employees' Retirement Code. The authority shall make every reasonable effort to provide a position similar to that held with the commission.

(7) Reasonable costs of transfer shall be paid by the fund.

(8) Upon assumption of the powers transferred to the authority under the addition of 53 Pa.C.S. Ch. 57, the authority shall continue as much of the initiative of the commission under section 14 of this act as has not been completed by the commission.

(9) Employees of the Philadelphia Parking Authority who were employees of the Pennsylvania Public Utility Commission immediately prior to becoming employees of the Philadelphia Parking Authority and who have been continuously employed by the Philadelphia Parking Authority since the time of becoming an employee of the Philadelphia Parking Authority shall not, after termination of service from the Philadelphia Parking Authority, be considered to be State employees or performing State service if subsequently reemployed as an officer or employee of the Philadelphia Parking Authority.

Section 14. A sum of not more than \$2,000,000 is hereby appropriated to the Pennsylvania Public Utility Commission from the First Class City Taxicab Regulatory Fund under the former 66 Pa.C.S. Ch. 24 for a hospitality initiative making taxicab service within cities of the first class more consumer friendly. On June 30, 2004, money not encumbered under this appropriation shall lapse into the First Class City Taxicab Regulatory Fund established by the addition of 53 Pa.C.S. Ch. 57.

Section 15. The Pennsylvania Public Utility Commission shall transmit notice of the entry into the agreement under section 13(1) of this act to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.

Section 16. This act shall take effect as follows:

(1) The following provisions shall take effect on the earlier of July 1, 2004, or the date of publication of the notice under section 15 of this act:

(i) The addition of 53 Pa.C.S. Ch. 57.

(ii) Section 8(2)(v) of this act.

(iii) Section 13(1), (2) and (3) of this act.

(2) The following provisions shall take effect in 60 days.

(i) The amendment of 53 Pa.C.S. § 5508.1(k) and (o).

(ii) The amendment of 53 Pa.C.S. §§ 5510.1 through 5510.11.

(iii) Section 8(2)(iii) and (iv) of this act.

- (iv) Section 11 of this act.
- (v) Section 12 of this act.
- (3) The remainder of this act shall take effect immediately.

APPROVED—The 30th day of December, A.D. 2002.

MARK S. SCHWEIKER