

No. 450

AN ACT

To increase the commerce and prosperity of the people of the Commonwealth, to improve their health and living conditions, and to alleviate the problems created by traffic congestion and the existence of inadequate mass transportation facilities, by authorizing the creation of a transportation authority to function in each metropolitan area consisting of any county of the first class and all nearby counties within a radius of twenty (20) miles of any such first class county, as a body corporate and politic for the purpose of establishing an integrated mass transportation system with all pertinent powers including, but not limited to, leasing, acquiring, owning, operating and maintaining a system for, or otherwise providing for, the transportation of persons, authorizing the borrowing of money and issuance of bonds therefor, conferring the right of eminent domain on the authority; altering the jurisdiction of the Public Utility Commission, authorizing the acceptance of grants from Federal, State and local governments, limiting actions against the authority and exempting it from taxation, authorizing counties and municipalities to enter into compacts for the financing of each authority and to make appropriations in accordance with such compacts, conferring exclusive jurisdiction upon certain courts with respect to matters relating to such authority, and empowering each authority to function outside of the metropolitan area under certain terms and conditions.

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

Metropolitan
Transportation
Authorities Act
of 1963.

Section 1. Short Title.—

This act shall be known and may be cited as the “Metropolitan Transportation Authorities Act of 1963.”

Section 2. Legislative Finding; Declaration of Policy.—

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

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

Congestion in
metropolitan
areas.

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

Depressing economic and social effects.

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

No effective control.

* “(b) Special Fund” in original.

Public acquisition of mass transportation facilities will promote public welfare.

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

Community welfare requires integrated system of mass transportation.

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

Creation of authorities desirable.

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

Establishment of metropolitan transportation authorities will promote public welfare.

(g) That the establishment of metropolitan transportation authorities will promote the public safety, convenience and welfare;

Existing transportation facilities, cooperation, acquisition.

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

Cooperation with municipalities.

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

Declared policy.

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

Section 3. Definitions.—

(a) The following terms, whenever used or referred to in this act, shall have the following meanings, except in those instances where the context clearly indicates otherwise:

(1) "Authority" shall mean any body corporate and politic created pursuant to this act.

(2) "Board" shall mean the governing and administrative body of an authority.

(3) "Mayor" shall mean the chief executive officer of any first class city in any first class county.

(4) "Governor" means the Governor of the Commonwealth of Pennsylvania.

(5) "Metropolitan area" shall mean all of the territory within the boundaries of any county of the first class and all other counties located in whole or in part within twenty (20) miles of such first class county.

(6) "Transit Vehicle" means every vehicle which is self-propelled or which is propelled by electric power.

(7) "Municipality" means any city, county, borough or township of the first or second class within any metropolitan area.

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

(9) The term "Federal agency" shall mean and include the United States of America, the President of the United States and any department or corporation, agency or instrumentality, heretofore or hereafter created, designated or established by the United States of America.

(10) The term "persons" shall mean and include corporations, associations and other legal entities, as well as natural persons.

(11) The term "project" shall mean any structure, facility or undertaking which an authority is authorized to acquire, construct, improve, lease, maintain, operate, contract for, or otherwise function with respect to, under the provisions of this act.

(12) "Legislative body" shall mean, in counties of the first class, the City Council; in the other counties the Board of County Commissioners; and in the other municipalities, that body authorized by law to enact ordinances.

(13) "County Commissioners" shall mean the members of the Board of County Commissioners in each of the counties in the metropolitan area, except counties of the first class.

(14) "Commonwealth" shall mean the Commonwealth of Pennsylvania.

(15) "Majority" shall mean any whole number constituting more than half of the total number, e.g., a majority of five equals three or more; a majority of six equals four or more.

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

Section 4. Creation of Transportation Authorities; Rights and Powers.—

Creation: name, to be known as area transportation authority; not instrumentality of municipalities; agency and instrumentality of Commonwealth; purpose; Public Utility Commission and other agencies to control activities outside metropolitan area; authority to commence operation when majority of board qualify.

(a) There is hereby authorized the creation of a separate body corporate and politic in each metropolitan area, to be known as the transportation authority of such area, extending to and including all of the territory in the metropolitan area. An authority shall in no way be deemed to be an instrumentality of any city or county or other municipality or engaged in the performance of a municipal function, but shall exercise the public powers of the Commonwealth as an agency and instrumentality thereof. An authority shall exist for the purpose of planning, acquiring, holding, constructing, improving, maintaining, operating, leasing, either as lessor or lessee, and otherwise functioning with respect to, a transportation system in the metropolitan area, and, outside of such area, whether within or beyond the boundaries of the Commonwealth, to the extent necessary for the operation of an integrated system and for the provision of all group and party services which can be provided by transportation systems subject to acquisition under this act: Provided, however, That all services rendered by the authority outside the metropolitan area shall be pursuant to certificates of public convenience or other appropriate authorization issued to it by the Pennsylvania Public Utility Commission, or other appropriate regulatory agency of any state or federal government. An authority shall transact no business or otherwise become operative until and unless a majority of its board shall have been qualified in accordance with this act.

Certificate of incorporation, Secretary of Commonwealth to issue; oath of office and certification of board members; board members to select name of authority.

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

Certificate of incorporation, certified copy, legal proof.

(c) In any suit, action or proceeding involving or relating to the validity or enforcement of any contract or act of an authority, a copy of the certificate of incor-

poration, duly certified by the Department of State, shall be admissible in evidence, and shall be conclusive proof of the legal establishment of the authority.

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

Powers, all necessary or convenient.

(1) To have perpetual existence.

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

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

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

(5) To acquire, purchase, hold, lease as lessee and use any franchise, property, real, personal or mixed, tangible or intangible, or any interest therein necessary, or desirable for carrying out the purposes of the authority, and to sell, lease as lessor, transfer and dispose of any property, or interest therein, at any time acquired by it. In exercising any of the powers granted by this paragraph, the authority shall consider, inter alia, the same value factors as provided in section 8 of this act in determining compensation under the exercise of eminent domain.

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

(7) To make and from time to time to amend and repeal by-laws, rules, regulations and resolutions.

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

(9) To fix, alter, charge and collect fares, rates, rentals and other charges for its facilities by zones or otherwise at reasonable rates to be determined exclusively by it, subject to appeal, as hereinafter provided, for the purpose of providing for the payment of all expenses and obligations of the authority, including the acquisition, construction, improvement, repair, maintenance and operation of its facilities and properties, the payment of the principal and interest on its obligations, and to comply fully with the terms and provisions of any agreements made with the purchasers or holders of

any such obligations. The authority shall determine by itself exclusively, after appropriate public hearing, the facilities to be operated by it, the services to be available to the public, and the rates to be charged therefor. Any person aggrieved by any rate or service or change of service fixed by the authority may bring an appeal against the authority in the court of common pleas of any county in the metropolitan area in which the charge, service or change of service shall be applicable, for the purpose of protesting against any such charge, service or change of service: Provided, however, That the grounds for such suits shall be restricted to a manifest and flagrant abuse of discretion or an error of law; otherwise, all such actions by the authority shall be final. Whenever two or more appeals shall be brought against the same action of the authority, exclusive jurisdiction for the determination thereof shall be vested in the first such court to receive such an appeal, and all other courts receiving subsequent appeals against the same action shall transfer such appeals to the said first court. Upon the finding of an error of law or a manifest and flagrant abuse of discretion, the court shall issue an order setting forth the abuse or error and returning the matter to the authority for such further action as shall be not inconsistent with the findings of the court. Further appeals may be taken to the Superior Court within thirty days after the court of common pleas shall have rendered its decision. No appeal from the action of the authority or from the decision of the court of common pleas shall act as a supersedeas, except when taken by the authority or any county or municipality, or, in other cases, when specially granted after a finding that irreparable and extraordinary harm will result. The courts shall give priority to all such appeals and no bond shall be required of any party instituting such an appeal under the provisions of this section.

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

(.2) The board may enter into agreements with the United States Post Office Department for the transpor-

tation of mail and payment of compensation to the authority in lieu of fares for the transportation of letter carriers in uniform at all times. The board may make similar agreements within any municipality, in and by which they are employed, for the transportation of firemen and public health nurses when in uniform, and of policemen when in uniform or when not in uniform, upon presentation of identification as policemen. The board may also provide free transportation for employees of the authority when in uniform or upon presentation of identification as such employees.

(10) To borrow money from private lenders, or from the State or Federal government, or from any municipality in the metropolitan area, in such amounts as may be necessary or desirable for the operation and work of the authority; make and issue negotiable notes, bonds, refunding bonds and other evidences of indebtedness or obligations of the authority, and to secure the payment of such bonds, or any part thereof, by pledge or deed of trust of all or any of its revenues, rentals, and receipts, and to make such agreements with the purchasers or holders of such bonds or with others in connection with any such bonds, whether issued or to be issued as the authority shall deem advisable and in general, to provide for the security for said bonds and the rights of the holders thereof.

(11) To apply for and to accept grants, loans and other assistance from, and to enter into contracts, leases or other transactions with, the Federal government or any agency or instrumentality thereof, the Commonwealth, any municipality or corporation, or any person whatsoever, for any of the purposes of the authority, and to enter into any agreement with the Federal government in relation to such grants, loans, or other assistance: Provided, That such agreement does not conflict with any of the provisions of any trust agreement securing the payment of bonds or certificates of the authority.

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

politan area, they shall be subject to the jurisdiction of the appropriate regulatory agencies.

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

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

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

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

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

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

(19) Private rights and property in the beds of existing public highways vacated in order to facilitate the purposes of the authority shall not be deemed destroyed or ousted by reason of such vacation, but shall be acquired or relocated by the authority in the same manner as other property.

(20) To have the right to use any public road, street, way, highway, bridge or tunnel for the operation of a transportation system within the metropolitan area: Provided, however, That in all cases involving the facilities of a railroad, any operations of which extend beyond the metropolitan area, the exercise of this right by the authority shall be subject to the jurisdiction of the Public Utility Commission under sections 409, 410 and 411 of the Public Utility Law.

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

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

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

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

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

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

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

(28) It shall be the duty of the board, as promptly as possible, to rehabilitate, reconstruct, and extend as possible, all portions of any transportation system acquired by the authority and to maintain at all times a fast, reliable and economical transportation system suitable and adapted to the needs of the municipalities served by the authority and for safe, comfortable and convenient service. To that end, the board shall make every effort to utilize high speed rights-of-way, private or otherwise, to the maximum extent practicable to avoid air pollution by its vehicles; to abandon no physical property which has useful and economical capabilities, and to extend its rail and highway services into

areas which have sufficient need for them to economically or strategically justify such extension.

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

Section 5. Power to Acquire Property, Franchises, Etc.—

General power to acquire facilities of transportation systems, private or public.

The authority shall have power to acquire by purchase, condemnation, lease, gift, or otherwise, all or any part of the property of any public utility operating a transportation system within the metropolitan area, including but not limited to, the plant, equipment, property rights in property reserve funds, employees' pension or retirement funds, special funds, franchises, licenses, patents, permits, operating rights, and paper documents and records, which said property shall be located within the metropolitan area and shall be appropriate for the purposes for which the authority is established, as well as all or any part of the right-of-way, equipment, fixed facilities, and other property of any kind of any such utility, extending beyond the boundaries of the metropolitan area and forming, or capable of forming, part of an integrated suburban rapid transit or rail transportation facility, connecting with rapid transit or electric railway lines of the authority in super highways or elsewhere. No interest in the right-of-way of a railroad company the operations of which extend beyond the metropolitan area shall be acquired or occupied under the power of eminent domain pursuant to this section or any other section of this act without the consent of said railroad. Such properties, upon acquisition by or lease to the authority, shall become and be operated as part of the transportation system of the authority, and the authority shall have all powers in connection with such properties and such operations as are conferred by this act. All acts of condemnation shall be pursuant to section 8 of this act. The authority shall also have the power to enter into agreements to operate any such lines located or extending beyond the boundaries of the metropolitan area, such agreements to be subject to all other provisions of this act. The authority shall have power to lease or purchase any municipally-owned local transportation subways or other municipally-owned local transportation facilities for operation and maintenance by the authority.

Section 6. Power to Buy, Lease or Sell Property.—

The authority shall have power to acquire by purchase, condemnation, lease, gift or otherwise, any prop-

erty and rights useful for its purposes and to sell, lease, transfer or convey any property or rights when no longer useful or exchange the same for other property or rights which are useful for its purposes.

Section 7. Power to Contract with Public Utilities.—

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

Section 8. Removal or Relocation of Utility Structures; Power of Eminent Domain.—

(a) The authority shall have power, subject to relevant provisions of paragraph 4 (d) (20) of this act, to require persons or corporations owning or operating public utility structures and appliances in, upon, under, over, across or along the public roads, streets, or other public ways in which the authority has the right to own, construct, operate or maintain transportation facilities to remove such public utility structures and appliances from their locations. If any person or corporation owning or operating public utility structures and appliances fails or refuses so to remove or relocate them, the authority may remove or relocate them; the authority shall provide the new location which the structures or appliances as relocated shall occupy and to that end the authority is hereby authorized to acquire by purchase or by the exercise of the power of eminent domain any necessary land or right-of-way for such purpose if the new location shall not be in, on or above a highway, road or street. The exact new location shall be chosen by agreement of the authority and the utility. Upon the completion of such relocation, the authority shall reimburse the public utility for the cost of relocation which shall be the entire amount paid by the utility properly attributable to the relocation of the structure or appliance after deducting the cost of any increase in the service capacity of the new structure or appliance and any salvage value derived from the old structure or appliance. If an issue shall arise between the authority and the public utility as to the amount of the cost of relocation or the new location either party may institute a proceeding by complaint before the Pennsylvania Public Utility Commission which is hereby clothed with exclusive jurisdiction to hear and determine such issue. Appeal from the order of the commission in any such proceeding may be taken in the same manner as is prescribed by the act of May 28, 1937 (P. L. 1053), known

Removal and relocation; costs; appeal.

as the "Public Utility Law," for appeals from other orders of the commission.

Power of eminent domain.

(b) The authority shall have the right of eminent domain which may be exercised, either within or without the metropolitan area, to acquire private property and property devoted to any public use which is necessary for the purposes of the authority, except property of a public utility operating transportation facilities extending beyond the boundaries of the metropolitan area: Provided, however, The authority shall have the right of eminent domain to acquire property of any railroad which property is not used for or in connection with the transportation of persons or property and to acquire rights and easements across, under or over the right-of-way of such railroad whenever the authority shall acquire the private right-of-way or other property of a public utility used or useful in its service to the public. It shall before requiring the removal of the existing structures and appliances provide a new location for the said structures and appliances, and upon the completion of relocation, reimburse the public utility for the cost thereof in the manner provided in section 8 (a) above.

Title to be acquired; Public Utility Commission approval not required; exception.

(c) Title to any property acquired by an authority through eminent domain shall be an absolute ownership or fee simple title unless a lesser title shall be designated specifically in the eminent domain proceedings. Real and personal property of any kind whatever belonging to a public utility corporation providing transportation or transportation related services, may be acquired without the approval of the Public Utility Commission: Provided, however, That in all cases involving the facilities of a railroad, any operations of which extend beyond the metropolitan area, the exercise of the power of the authority under this paragraph shall be subject to the jurisdiction of that commission under sections 409, 410 and 411 of the Public Utility Law.

Consent of public owners; burial grounds, places of worship.

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

Negotiation to precede condemnation.

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

Manner of exercising power.

(f) The power of eminent domain conferred herein shall be exercised by the authority, when authorized by resolution of the board, in the following manner:

(1) Jurisdiction and Venue.

The court of common pleas shall have exclusive jurisdiction of all eminent domain proceedings instituted by the authority. Such proceedings shall be brought in the court of common pleas of the county in which the property to be condemned is located, or, if the property is located in two or more counties, then in the court of common pleas in any one of the counties. In the latter case where proceeding is commenced in the court of one county, all subsequent proceedings regarding the same property shall be brought in the same county.

(2) Condemnation of Title; Declaration of Taking.

(.1) Condemnation shall be effected by the filing in court of a declaration of taking, with such security as may be required by the court, and, thereupon, the title which the authority is to acquire in the property condemned, shall pass to the authority.

(.2) The declaration of taking shall be in writing and executed by the persons authorized by the board to act for the authority; shall be captioned as a proceeding in rem, and shall contain the following:

- (i) The name and address of the authority;
- (ii) A specific reference to this section of this act, under which the condemnation is authorized;
- (iii) A specific reference to the resolution by which the declaration of taking was authorized by the board, including the date when such action was taken and the place where the record thereof may be examined;
- (iv) A brief description of the purpose of the taking;
- (v) A description or plan of the property taken sufficient for the identification thereof, specifying the county and any other municipality wherein the property taken is located;
- (vi) A statement of the nature of the title acquired;
- (vii) A statement specifying where a plan showing the condemned property may be inspected in a county in which the property taken or any part thereof is located;
- (viii) A statement of how just compensation has been made or secured.

(3) Security Required.

(.1) Bond.

The authority shall file with the declaration of taking its bond without surety to the Commonwealth, for the use of the owner or owners of the property, interests condemned, the condition of which shall be that the authority shall pay such damages as shall be determined by law.

(.2) Insufficient Security.

The court, upon preliminary objections of the condemnee, may require the authority to give such additional security as the court may deem proper.

(4) Recording Notice of Condemnation.

The authority, upon filing its declaration of taking, shall on or before the first business day thereafter, lodge a record of notice thereof in the office for the recording of deeds in the county or counties in which the property is located. The notice shall contain the court, term and number and the date of filing of the declaration of taking, as well as a description of the property taken, sufficient for the identification thereof and the name or names of the owner or owners of the property interests condemned, as reasonably known to the authority, and shall be indexed in the deed indices showing the condemnee set forth in the notice as grantor, and the authority as grantee. The recorder shall receive as a fee the sum of five dollars (\$5.00) for recording each notice and twenty-five cents (25¢) for each name indexed.

(5) Notice to Condemnee.

(.1) Within twenty (20) days after the filing of the declaration of taking, the authority shall give written notice of the filing thereof to the condemnee.

(.2) The notice shall be served within or without the Commonwealth, by any competent adult, in the same manner as a complaint or writ of summons in assumpsit, or by first class, certified or registered mail, to the last known address of the condemnee. If service cannot be made in the manner as provided, then service shall be made by posting a copy of the notice upon the most public part of the property and by publication one time each in one newspaper of general circulation and the legal journal, if any, published in the county.

(.3) The notice to be given the condemnee shall include:

(i) A copy of the declaration of taking, including the date of filing and the court, term and number thereof;

(ii) A statement that the condemnee's property has been condemned and to the extent and for the purpose set forth in the declaration of taking;

(iii) A statement that if the condemnee wishes to challenge the power or the right of the authority to appropriate the condemned property or the sufficiency of the security, or the procedure followed by the authority or the declaration of taking, he must file preliminary objections within twenty (20) days after service of said notice, where service was personal or by mail, or

within thirty (30) days after service by publication and posting.

(.4) The authority shall file proof of service of said notice.

(6) Preliminary Objections.

(.1) Within twenty (20) days after being served with notice of condemnation where service was personal or by mail or within thirty (30) days after service by publication and posting, the condemnee may file preliminary objections to the declaration of taking. The court, upon cause shown, may extend the time for filing preliminary objections. Preliminary objections shall be limited to and shall be the exclusive method of challenging:

(i) The power or right of the authority to appropriate the condemned property;

(ii) The sufficiency of the security;

(iii) Any other procedure followed by the authority; or

(iv) The Declaration of Taking. Failure to raise these matters by preliminary objections shall constitute a waiver thereof.

(.2) All preliminary objections shall be raised at one time and in one pleading and shall state specifically the grounds relied upon. They may be inconsistent and a copy thereof shall be served upon the authority within forty-eight (48) hours after filing.

(.3) The court shall determine promptly all preliminary objections. If an issue of fact is raised, the court shall take evidence by depositions or otherwise. The court may allow amendment to or direct the filing of a more specific declaration of taking.

(7) Petition for Appointment of Viewers.

Subsequent to the expiration of the time for filing preliminary objections or the determination by the court of questions raised by such objections and the filing of a more specific declaration of taking, the authority or the condemnee may file a petition with the court for appointment of viewers to ascertain just compensation for any or all of the property included in the declaration of taking.

(8) Appointment of Viewers; Notice.

(.1) Upon the filing of the petition, the court shall promptly appoint three (3) viewers who shall view the premises, hold hearings and file a report.

(.2) The viewers shall promptly give written notice of their appointment to the authority and to all named condemnees setting forth the time and place of the view which shall be not less than twenty (20) days nor more

than ninety (90) days from the date of said notice. Notice of subsequent hearings shall be given by not less than ten (10) days written notice.

(3) Service of notice shall be in the same manner as provided for service of notice of the filing of the declaration of taking. Proof of service and the manner of same shall be attached to the viewers' report.

(4) At the initial hearing the viewers shall ask all parties for information concerning the names and addresses of any persons who may have an interest in the property to be condemned and who have not been notified concerning the hearing. If any such persons are disclosed, the viewers shall adjourn the hearing to allow such notice to such persons.

(9) Furnishing of Information to Viewers.

The authority and condemnees shall furnish the viewers with such information as in the opinion of the viewers may be necessary for the proper determination of just compensation. All plans required for this purpose shall be supplied at the expense of the authority.

(10) Powers of Viewers.

The viewers shall have power to administer oaths and affirmations, to compel the attendance of witnesses, the production of books and documents, and to adjourn the proceedings from time to time. All the viewers shall act, unless prevented by sickness or other unavoidable cause; but a majority of the viewers may hear, determine, act upon and report all matters relating to the view for which they were appointed.

(11) Report of Viewers; Contents.

The viewers shall file a report which shall include in brief and concise paragraph form:

(.1) The date of their appointment as viewers and of the declaration of taking;

(.2) A statement of all notices issued by them with proof of service to be attached;

(.3) A statement of the extent and nature of the interest condemned, together with a copy of any pertinent plan or other document descriptive thereof;

(.4) A schedule of damages awarded or benefits assessed, to and by whom payable, and for which property, separately stated as to the various elements of damage including severance damages, if any;

(.5) Their rulings on any written requests for conclusion of law submitted to them;

(.6) Such other matters as they may deem relevant.

(12) Inability to Agree.

If a majority of the viewers are unable to agree on a decision, three new viewers shall be appointed by the court upon application of any interested party.

(13) Reports of Viewers; Notice of Filing.

(.1) Ten (10) days before the filing of their report the viewers shall mail a copy thereof to all parties or their attorneys of record, with notice of the date of the intended filing and that the report shall become final unless an appeal therefrom is filed within thirty (30) days from the date the report is filed. Prior to the filing of their report they may correct any errors therein and give notice thereof to the persons affected.

(.2) A report may be filed as to one or more of the properties involved in a multiple condemnation. The viewers may combine in one report two or more properties referred to them under separate petitions provided such properties are included in the same declaration of taking. Each such report shall be final as to the property or properties included therein and subject to separate appeal.

(14) Appeals; Time of Taking; Consolidation.

(.1) Any party aggrieved by the decision of the viewers may appeal to the court of common pleas within thirty (30) days from the filing of the report. The appeal shall raise all objections of law or fact to the viewers' report. The appeal shall be signed by the appellant or his attorney or his agent and no verification shall be required. Any award of damages or assessment of benefits, as the case may be, as to which no appeal is taken within thirty (30) days, shall become final as of course and shall constitute a final judgment.

(.2) The court, on its own motion, or on application of any party in interest, may consolidate separate appeals involving only common questions of law as one proceeding.

(.3) If a condemnee having less than the entire interest in the condemned property appeals the award to him, the authority shall have an additional fifteen (15) days to appeal the entire award.

(15) Appeals; Contents.

(.1) The appeal shall set forth:

(i) The name of appellant;

(ii) A brief description or identification of the property involved and the condemnee's interest therein;

(iii) A reference to the proceedings appealed from and the date of the filing of the viewers' report;

(iv) Objections, if any, to the viewers' report, other than to the amount of the award;

(v) A demand for trial, if desired. If the appellant desires a jury trial, he shall at the time of filing the appeal, endorse thereon, or file separately, a written demand for jury trial, signed by him or counsel. If no demand for jury trial is made by the appellant, any other party may file a written demand for jury trial within fifteen (15) days after being served with a copy of the appeal. If no party makes a demand for a jury trial as set forth herein, the right to jury trial shall be deemed to have been waived and the court shall try the case without a jury.

(.2) The appellant shall serve a copy of the appeal on all other parties within five (5) days after filing the same. Proof of service of a copy of the appeal shall be filed by the appellant.

(.3) No other pleadings shall be required and the cause shall be deemed at issue.

(16) Disposition of Appeal.

(.1) All objections, other than to the amount of the award, raised by the appeal, shall be determined by the court preliminarily. The court may confirm, modify, change the report or refer it back to the same or other viewers. A decree confirming, modifying or changing the report shall constitute a final order.

(.2) The amount of damages shall be tried by jury, unless waived.

(.3) At the trial of the case, the condemnee shall be the plaintiff and the authority shall be the defendant.

(17) Severance and Special Damages; Allocation.

(.1) Upon appeal from an award of viewers, the court, upon the request of the plaintiff, shall, after the jury, or the court (if the trial is without jury), has returned its general verdict, make a specific finding and allocation as to the amount of the general verdict attributable to severance damages to the part of the property not taken.

(.2) The jury or the court, in a trial without a jury, shall make specific findings as to the portion of the award or judgment allocated to items of special damages authorized by this act or any other provision of law.

(18) Costs of Proceedings.

All taxable costs, including filing fees, jury fees, statutory witness fees and mileage, expenses of preparing plans under section 8 (f) (9) above, the expense of transporting the judge and jury to view the condemned property, and such other costs as the court, in the interests of justice may allow, shall be paid by the authority, unless the court, in a special case, should deem that the

interest of justice requires an apportionment of the costs in some other manner amongst the parties.

(19) Waiver of Viewers' Proceedings.

The authority and condemnee may, by written agreement filed with the court, waive proceedings before viewers and proceed directly to the said court on agreed issues of law or fact. The proceedings thereafter shall be the same as on appeal from a report of viewers.

(20) Distribution of Award; Liens.

(.1) If the authority is unable to determine proper distribution of the damages, it may, without payment into court, petition the court to distribute the damages and shall furnish the court with a schedule of proposed distribution.

(.2) Notice of the filing of the petition and schedule of proposed distribution shall be given to all condemnees, mortgagees, judgment creditors and other lienholders, as shown in the proposed schedule, in such manner as the court may by general rule or special order direct. The court may hear the matter or may appoint a master to hear and report or may order any issue tried by the court and jury as may appear proper under all the circumstances. The court shall thereafter enter an order of distribution of the fund.

(21) Payment into Court; Distribution.

(.1) Upon refusal to accept payment of the damages, or if the party entitled thereto cannot be found, or if for any other reason the damages cannot be paid to the party entitled thereto, the court upon petition of the authority which shall include a schedule of proposed distribution, may direct payment of the damages and costs into court in full satisfaction thereof.

(.2) The court thereafter upon petition of any party in interest, shall distribute such funds or any other funds deposited in court to the persons entitled thereto in accordance with the procedure in section 8 (f) (20), but if no petition is presented within a period of five (5) years of the date of payment into court, the court shall order the fund or any balance remaining to be paid to the Commonwealth without escheat. No fee shall be charged against these funds.

(.3) When the court believes that the person who is entitled to the fund is not a resident of the United States, its territories or possessions, and would not have the actual use, enjoyment or control of the funds distributable to him the court shall have the power and authority:

(i) To direct only such payments to the person entitled thereto as the court deems proper; or

(ii) To pay it through the Department of Revenue into the State Treasury without escheat to be held for the benefit of the person entitled thereto. The court which directed payment to the State Treasury, upon petition of the person entitled to such funds, and upon being satisfied that petitioner will have the actual possession, benefit, use, enjoyment or control thereof, shall enter a decree directing the Board of Finance and Revenue to make repayment with interest at two per centum per annum from the date the funds were paid into the State Treasury to the date of repayment.

(22) Joint Claims Required; Apportionment of Damages.

The claims of all persons having any interest in the same property, shall be heard or tried together and the award of the viewers or the verdict on appeal from the viewers shall fix, first, the total amount of damages for the property, and second, the apportionment of the total amount of damages between or among the several claimants therefor.

(23) Appeal to Supreme or Superior Court.

Either party may appeal to the Supreme or Superior Court from any final order or judgment of the court of common pleas within forty-five (45) days from the entry thereof.

(24) Just Compensation and Measure of Damages.

(.1) The following factors shall be considered in any determination of just compensation for any property interest condemned by the authority:

(i) The condemnee shall be entitled to the difference between the fair market value of a condemnee's entire property interest immediately before the taking and as unaffected thereby, except as otherwise provided herein, and the fair market value of his remaining property interest after the taking and as affected thereby.

(ii) Fair market value may reflect the present use of the property and its highest and best reasonably available use, the presence and value of fixtures and other pertinent factors. It shall not reflect any change in value which is shown to be substantially due to the general knowledge of imminence of condemnation.

(iii) In any condemnation by the authority of the entire assets, or a substantial portion of the assets, of a public utility engaged in mass passenger transportation, where it is contemplated that a substantial portion of the employees of such utility shall be transferred to and become employees of the authority, the viewers, in measuring the fair market value of the property taken shall give due consideration to the effect on such value

of the amount of the legal liability accrued under any pension or retirement system, plan or program, existing immediately prior to such condemnation, with respect to employees in the employ of the utility at that time, as well as any employees who shall have previously retired or employees who may reasonably be expected to retire within any then existing contract period; and such liability shall be assumed by the authority.

(25) Revocation of Condemnation.

The authority, at any time before the proceedings are ended, may relinquish all or any part of the property taken, by filing a declaration of relinquishment in the court, whereupon title shall revert in the condemnee as of the date of the filing of the declaration of taking. Notice of said relinquishment shall be recorded in the office of the recorder of deeds of the county in which the property taken is located, with the authority as the grantor and the condemnee as the grantee, and the notice of said relinquishment shall be served on the condemnee in the same manner as provided for service of the declaration of taking. Where condemned property is relinquished, the condemnee shall be entitled to the damages sustained by him including costs, expenses and reasonable attorney's fees and such damages shall be assessed by the court, or the court may refer the matter to viewers to ascertain and assess the damages sustained by the condemnee, whose award shall be subject to appeal as provided in this act. The authority and the condemnee without the filing of a declaration of relinquishment provided herein, may, by agreement, effect a reversioning of title in the condemnee.

(26) Right to Enter Property Prior to Condemnation.

Prior to the filing of the declaration of taking, the authority or its employees or agents, shall have the right to enter upon any land or improvement which it has the power to condemn, in order to make studies, surveys, tests, soundings and appraisals. Any actual damages sustained by the owner of property entered upon by the authority for the foregoing reasons shall be paid by the authority and shall be assessed by the court or viewers or by agreement in the same manner as provided in paragraph 8 (f) (24).

Section 9. Use of Ways Occupied by Other Passenger Utilities.—

The authority shall not have the right to use any street or public way, presently occupied by a public utility engaged in local passenger transportation, for a competing purpose, without the agreement of such public utility.

Section 10. Loans, Bonds and Certificates; Trust Indentures. —

Broad power to borrow; bonds and certificates payable solely from revenue or income; negotiability; temporary paper.

(a) The authority shall have the continuing power to borrow money for the purpose of acquiring any transportation system (including any cash funds of such system reserved to replace worn out or obsolete equipment and facilities) and for acquiring necessary cash working funds or for acquiring, constructing, reconstructing, extending or improving its transportation system or any part thereof and for acquiring any property and equipment useful for the construction, reconstruction, extension, improvement or operation of its transportation system or any part thereof, and for any other of its corporate purposes. For the purpose of evidencing the obligation of the authority to repay any money borrowed as aforesaid the authority may, pursuant to resolution adopted by the board, from time to time, issue and dispose of its interest-bearing bonds or certificates and may also, from time to time, issue and dispose of its interest-bearing bonds or certificates to refund any bonds or certificates at maturity or pursuant to redemption provisions or at any time before maturity with the consent of the holders thereof. All such bonds and certificates shall be payable solely from the revenues or income to be derived from the transportation system including grants, gifts or contributions from the Federal, State or local governments, their agencies or instrumentalities, or any other source; may bear such date or dates; may mature at such time or times not exceeding forty years from their respective dates; may bear interest at such rate or rates; may be in such form; may carry such registration privileges; may be executed in such manner; may be payable at such place or places; may be made subject to redemption in such manner and upon such terms with or without premium as is stated on the face thereof; may be authenticated in such manner and may contain such terms and covenants, all as may be authorized by the board. Notwithstanding the form or tenor thereof, and in the absence of an express recital on the face thereof that it is nonnegotiable, all such bonds and certificates shall be negotiable instruments. Pending the preparation and execution of any such bonds or certificates, temporary bonds or certificates may be issued with or without interest coupons as may be authorized by the board.

Trust indentures; mandamus or injunction.

(b) To secure the payment of any or all of such bonds or certificates and for the purpose of setting forth the covenants and undertaking of the authority in connection with the issuance thereof and the issuance of any additional bonds or certificates payable from such revenue or income as well as the use and application of the

revenue or income to be derived from the transportation system, the authority may execute and deliver a trust indenture or indentures. A remedy for any breach or default of the terms of any such trust indenture by the authority may be by mandamus or injunction proceedings, or other proceeding in law or in equity in any court of competent jurisdiction to compel performance and compliance therewith, but the trust indenture may prescribe by whom or on whose behalf such action may or may not be instituted.

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

Not to be indebtedness or obligation of Commonwealth or political subdivision.

(d) Before any such bonds or certificates (excepting refunding bonds or certificates) are sold, the entire authorized issue or any part thereof shall be offered for sale as a unit after advertising for bids at least three times in a daily newspaper of general circulation published in the metropolitan area, the last publication to be at least ten days before bids are required to be filed. Copies of such advertisement may be published in any newspaper or financial publication in the United States. All bids shall be sealed, filed and publicly opened as authorized by the board, and the bonds or certificates shall be awarded to the highest responsible bidder or bidders therefor. The authority shall have the right to reject all bids and readvertise for bids in the manner provided for in the initial advertisement. However, if no bids are received, such bonds or certificates may be sold at not less than par value and accrued interest without further advertising within sixty days after the bids are required to be filed pursuant to any advertisement.

Sale to highest responsible bidder; advertisement; rejection of bids.

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

Tax exemption.

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

No personal liability.

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

Price; signatures.

Issued for public purposes; pre-
sumption.

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

Section 11. Acquisition of Equipment; Agreements and Leases.—

Equipment trust certificates; public sale; payable from revenue and income, grants and loans; installments; title.

(a) The authority shall have power to purchase equipment such as cars, trolley buses and motor buses and may execute agreements, leases and equipment trust certificates in the form customarily used in such cases appropriate to effect such purchase, and may dispose of such equipment trust certificates: Provided, however, That wherever feasible, such certificates shall be offered for public sale in a manner similar to that provided for the sale of bonds in this act. All money required to be paid by the authority under the provisions of such agreements, leases, and equipment trust certificates, shall be payable solely from the revenue or income to be derived from the transportation system and from grants and loans as provided elsewhere in this act. Payment for such equipment or rentals therefor may be made in installments and the deferred installments may be evidenced by equipment trust certificates payable solely from such revenue, income, grants or loans and title to such equipment shall not vest in the authority until the equipment trust certificates are paid.

Trustee.

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

Agreements authorized by board.

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

Conflict with trust indentures forbidden.

(d) The covenants, conditions and provisions of the agreements, leases and equipment trust certificates shall

not conflict with any of the provisions of any trust indenture securing the payment of bonds or certificates of the authority.

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

Filing with Secretary of Commonwealth; marking of vehicles.

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

Special remedy; receiver, accounting.

(1) To obtain the appointment of a receiver of any real property of the authority and of the rents and profits therefrom. If such receiver be appointed, he may enter and take possession of such real property, operate the same and collect and receive all revenues or other income thereafter arising therefrom, and shall keep such moneys in a separate account and apply the same in accordance with the obligations of the authority as the court shall direct.

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

Section 12. Provisions of Bonds; Trust Indentures.— Further powers.

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

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

Pledge of revenues.

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

Mortgages.

(3) To covenant against pledging all or any part of its revenues, or against mortgaging all or any part of its real or personal property to which its right or title exists or may thereafter come into existence, or against permitting or suffering any lien on such revenues or property to covenant with respect to limitations on its

Covenant against further obligations.

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.

Covenants as to terms of bonds, replacement, redemption.

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

Covenants as to revenues, special funds.

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

Prescribe procedure for amendment of indentures.

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

Covenant as to property: use, title, maintenance, insurance.

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

Covenant as to breach; default; waiver.

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

Powers of trustee in case of default.

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

them may enforce any covenant or rights securing or relating to the bonds.

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

General power to covenant.

Section 13. Bonds and Certificates to be Legal Investments.—

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

Section 14. Investment and Reinvestment of Funds.—

The authority shall have the power to invest and reinvest any funds held in reserve or sinking funds not required for immediate disbursement (a) in the following securities as defined in the Fiduciaries Investment Act of 1949, as amended: Obligations of the United States and of the Commonwealth of Pennsylvania as more fully defined in section 3, subsections (1) and (2) of such act; Obligations of Federal organizations as defined in section 4 of such act; and (b) for sinking fund purposes only, in bonds or certificates of the authority at not to exceed their par value or their call price plus accrued interest; and to sell any of the securities acquired under clause (a) whenever the funds are needed for disbursement. Such investment or reinvestment of any fund shall not be in conflict with any provisions of any trust agreement securing the payment of bonds or certificates of the authority.

Section 15. Administrative Board.—

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

Section 16. Appointment of Board Members.—

(a) At any time after the effective date of this act,

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

(2) The county commissioners in each county, and, in any county of the first class containing a city of the first class, the mayor, with the approval of the city council, may appoint two (2) persons for each county to serve as board members, for staggered initial terms, two of which terms, but not two from the same county, shall expire on the first day of September, beginning in 1964 and continuing until all initial terms shall have expired. Specific expiration dates for the several terms shall be apportioned among the counties in such manner as shall be agreed upon by the appointing powers.

(b) At the expiration of the term of any board member, his successor shall be appointed by the same power who appointed him, for a term of five (5) years from such expiration date.

(c) The appointing powers shall certify their respective appointments, whether initial or subsequent, to the Secretary of the Commonwealth. Within thirty (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.

Section 17. Resignation and Removal of Members; Vacancies.—

Members of the board shall hold office until their respective successors have been appointed and have qualified. The appointing power may remove any member of

the board appointed by him or them, but only in case of incompetency, neglect of duty or malfeasance in office. No member shall be thus removed except after having been given a copy of the charges against him and an opportunity to be publicly heard, at a place in the metropolitan area, in person or by counsel, in his own defense upon not less than ten days' written notice. In case of failure to qualify within the time required or of abandonment of his office or in case of death, conviction of a felony or removal from office, his office shall become vacant. A member shall be deemed to have abandoned his office upon failure to attend any regular or special meeting of the board, without excuse approved by resolution of the board, for a period of four months, or upon removal of his residence from the metropolitan area. Each vacancy shall be filled for the unexpired term by appointment in like manner and with like regard as to the place of residence of the appointee as in case of expiration of the term of a member of the board. A member removed for incompetency, neglect of duty or malfeasance in office shall have the right to appeal such removal to the court of common pleas of the county for which he was appointed, but only on the ground of error of law or manifest and flagrant abuse of discretion.

Section 18. Meetings, Quorum, Approval of Resolutions; Election of Chairman.—

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

(b) The board shall elect from among its members a chairman and a vice-chairman, who shall serve for terms of one (1) year and until their successors shall have been elected and qualified, and shall perform such duties as the board shall, by resolution, determine.

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

Section 19. Secretary, Treasurer, Oath, Bond.—

The board shall appoint a secretary and a treasurer, neither of whom shall be a member of the board, to hold office during the pleasure of the board, and shall fix their duties and compensation. The secretary shall not be engaged in any other business or employment during his tenure of office as secretary of the board. Before entering upon the duties of their respective offices, they shall take and subscribe the constitutional oath of office. The treasurer and such other officers and employees of the authority, and such members of the board as the board may determine, shall execute corporate surety bonds, conditioned upon the faithful performance of their respective duties. A blanket form of surety bond may be used for this purpose if the board deems such procedure to be practical and prudent. The obligation of the sureties shall not extend to any loss sustained by the insolvency, failure or closing of any national or state bank wherein the treasurer has deposited funds if the bank has been approved by the board as a depository for these funds. The oaths of office and the surety bond or bonds shall be filed in the principal office of the authority.

Section 20. Deposit of Funds, Checks and Drafts; Security Collateral.—

Deposit of funds,
checks and
drafts.

(a) All funds deposited by the treasurer in any bank shall be placed in the name of the authority and shall be withdrawn or paid out only by check or draft upon the bank signed by the treasurer and countersigned by the chairman of the board. The board may designate any of its members or any officer or employee of the authority to affix the signature of the chairman and another 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 \$2,500.00.

Signatures;
facsimile signa-
tures.

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

(c) All bank balances to the extent the same are not insured shall be continuously secured by a pledge of direct obligations of United States of America, of the Commonwealth or of any municipality or municipalities in the metropolitan area, having an aggregate market value, exclusive of accrued interest at all times at least equal to the balance on deposit in such bank. Such securities shall either be deposited with the treasurer of the authority or be held by a trustee or agent satisfactory to the authority. All banks and trust companies are authorized to give such security for such balances.

Security for
bank balances.

Section 21. Signatures of Officers Ceasing to Hold Office.—

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

Section 22. General Manager.—

The board, before engaging in transportation operations, shall appoint a general manager. The general manager shall have management of the properties and business of the authority and the employees thereof, subject to the general control of the board; shall direct the enforcement of all resolutions, rules and regulations of the board and shall perform such other duties as may be prescribed from time to time by the board. With the approval of the board, he shall appoint such officers and employees to be under the general manager as the board shall determine.

Section 23. Legal Division: Chief Counsel.—

(a) The board, before engaging in transportation operations, shall establish a legal division which shall be administered by a chief counsel, who shall be an attorney-at-law admitted to practice before the Supreme Court of the Commonwealth, and who shall be appointed by the board to serve at its discretion. The legal division, in addition to the chief counsel, shall consist of such attorneys and other employees as the board from time to time shall determine to be necessary, and who shall be appointed by the chief counsel, with the approval of the board. The legal division shall administer the legal affairs of the board, shall prosecute and defend, settle or compromise all suits or claims for and on behalf of the authority, and shall advise the board and its officers in all matters relating to their official duties.

(b) The chief counsel may, from time to time, with the approval of the board, retain such other legal counsel on such terms and for such purposes as shall be deemed by the board to be necessary or desirable. Nothing in this section or in the preceding section shall be construed so as to limit the power of the legal or other officers of the counties and municipalities comprising the metropolitan area to act in behalf of the board in their official capacities when requested so to do by resolution of the board.

Section 24. Other Employees.—

The board shall provide for the employment of such other officers, agents, consultants, engineers and employees as may be necessary for the performance of the work of the authority. The board shall have the right to bargain collectively and enter into agreements with labor organizations. The board shall recognize and be bound by existing labor union agreements where they exist between labor unions and transportation companies that are acquired, purchased, condemned or leased by the board. It shall designate their duties and require bonds of such of them as the board may designate. The compensation of the general manager, chief counsel, comptroller, chief engineer and all other officers, attorneys, consultants, agents and employees shall be fixed by the board. No employee of the authority shall hold any other office or employment under the Federal, State or any county or municipal government except an office without compensation or an office in the Military Reserve or National Guard.

Section 25. Classification of Positions and Employments; Discharge or Demotion of Officers or Employees; Hearings; Seniority; Pensions and Retirement.—

(a) The board shall classify all the offices, positions and grades of regular employment required, excepting that of the chairman of the board, the general manager, secretary, treasurer, chief counsel and other attorneys in the legal division, with reference to the duties thereof and the compensation fixed therefor and adopt rules governing appointments to any of such offices or positions on the basis of merit and efficiency. No discrimination shall be made in any appointment or promotion because of race, creed, color or political or religious affiliations. No officer or employee shall be discharged or demoted except for just cause.

(b) The board may abolish any office or reduce the force of employees for lack of work or lack of funds, but in so doing, the officer or employee with the shortest service record in the class and grade to which he belongs shall be first released from service and shall be reinstated

in order of seniority, when additional force of employees is required. Seniority shall be considered a working condition. No qualified person shall be laid off if a transfer to another job, division or department within the transportation system can be arranged.

(c) Pensions and Retirement.

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

Board to establish system; contributions; former utility employees to retain rights; rules and regulations to be adopted; actuary.

Section 26. Transfers of Facilities or Things of Value to any Authority.—

Any county, municipality, school district, corporation or person, or group, may and they are hereby authorized to sell, lease, lend, grant, convey, transfer or pay over to any authority, with or without consideration, any project or any part or parts thereof, or any interest in real or personal property or any funds available for building construction or improvement purposes, including the proceeds of bonds previously or hereafter issued for building construction or improvement purposes, or any money or thing of value, including services, which may be used by the authority in the construction, acquisition, improvement, maintenance or operation of any project or for any other of its corporate purposes, any other law to the contrary notwithstanding.

Section 27. Compacts to Finance Operations and Particular Projects.—

Municipalities may agree to provide funds.

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

Particular projects.

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

Commitment to be binding.

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

No obligation unless lawfully assumed.

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

Section 28. Contracts, Procurement and Sale of Property; Concessions; Advertisement; Bidding.—

(a) Except in the purchase of unique articles or articles which, for any other reason, cannot be obtained in the open market and except as hereinafter provided, competitive bids shall be secured before any purchase or sale, by contract or otherwise is made or before any contract is awarded for construction, alterations, supplies, equipment, repairs or maintenance or for rendering any services to the authority other than professional

* "monies" in original.

services; and the purchase shall be made from or the contract shall be awarded to the lowest responsible bidder; or a sale to the highest responsible bidder. No purchase of any unique article or other articles which cannot be obtained in the open market shall be made without express approval of the board where the amount involved is in excess of \$5,000.00.

(b) Purchases and Sales Over \$5,000.00.

All purchases and sales in excess of \$5,000.00 shall be awarded after advertising in a local newspaper of general circulation in the metropolitan area at least two weeks prior to the bid opening. Bids shall be publicly opened and read aloud at a date, time, and place designated in the invitation to bid. Invitations to bid shall be sent at least one week prior to the bid opening to at least three potential bidders who are qualified technically and financially to submit bids, or in lieu thereof a memorandum shall be kept on file showing that less than three potential bidders so qualified exist in the market area within which it is practicable to obtain bids.

(c) Purchases and Sales Under \$5,000.00 and Over \$1,000.00.

Written price quotations from at least three qualified and responsible vendors shall be obtained for all purchases and sales under \$5,000.00 and over \$1,000.00, or in lieu thereof, a memorandum, approved by the board, shall be kept on file showing that less than three vendors so qualified exist in the market area within which it is practicable to obtain quotations; except as hereinafter provided.

(d) Purchases and Sales Under \$1,000.00.

Purchases or sales under \$1,000.00 may be negotiated with or without competitive bidding under sound procurement procedures as promulgated and established by the board.

(e) Emergency Purchase.

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

(f) Concessions.

All concessions granted by the authority for the sale of products or the rendition of services for a con-

sideration on authority property shall be awarded only pursuant to written specifications after competitive bidding and to the highest responsible bidder in a manner similar to that required by the preceding paragraph relating to contracts for procurement involving an expenditure of more than \$5,000.00.

(g) Sale or Lease of Authority-Owned Property.

Contracts for the sale or lease of real property owned by the authority shall be awarded after competitive bidding as shown in paragraph (b) "Purchases and Sales Over \$5,000.00," except where contract is entered into with the Commonwealth or any political subdivision or agency or instrumentality thereof or with the United States government or any agency or instrumentality thereof.

(h) Negotiated Contracts.

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

(j) Fragmentation of Requirements to Avoid Public Bidding.

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

(k) Rejection of Bids.

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

(l) Board Rules.

The board shall adopt rules and regulations to effectuate the provisions of this section.

Section 29. Conflict of Interest.—

Every member of the board and every employee of the authority who knowingly has any interest, direct or indirect, in any contract to which the authority is, or is about to become, a party, or in any other business of the authority, or in any firm or corporation doing business with the authority, shall make full disclosure of such interest to the board. Failure to disclose such an interest shall constitute misconduct, for which a board member may be removed by the appointing power, or an employee may be discharged or otherwise disciplined at the discretion of the board. Whenever, in the opinion of the board, any such interest on the part of any board

member or any employee, shall constitute a conflict of interest detrimental to the authority, the board shall require such action or abstention by such board member or employee as it may deem necessary or desirable to protect the interests of the authority. The board shall promulgate such rules and regulations as may be necessary to effectuate the purposes of this section.

Section 30. Fiscal Operating Year; Budget; Capital Program.—

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

Section 31. Financial Statements and Reports; Audit.—

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

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

The report of such auditors shall be appended to such financial statement.

Section 32. Transfer of Records by Public Utility Commission.—

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

Section 33. Depreciation Reserve.—

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

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

Section 34. Damage Reserve Fund.—

The board shall withdraw from the gross receipts of the authority and charge to operating expenses such an amount of money as, in the opinion of the board, shall be sufficient to provide for the adjustment, defense and satisfaction of all suits, claims, demands, rights and causes of action, and the payment and satisfaction of all judgments entered against the authority for damage caused by injury to or death of any person and for damage to property resulting from the construction, maintenance and operation of the transportation system, and the board shall deposit such moneys in a fund to be known and designated as damage reserve fund. The board shall use the moneys in the damage reserve fund to pay all expenses and costs arising from the adjustment, defense and satisfaction of all suits, claims, demands, rights and causes of action, and the payment and satisfaction of all judgments entered against the authority for damages caused by injury to or death of any person and for damage to property resulting from the construction, maintenance and operation of the transportation system. At any time, and from time to time, the board may obtain and maintain insurance

coverage or protection, partially or wholly, insuring or indemnifying the authority against loss or liability on account of injury to, or death of any person, and for damage to property resulting from the construction, maintenance and operation of the transportation system. The cost of obtaining and maintaining such insurance shall be paid out of the moneys in the damage reserve fund. All moneys received from such insurance coverage or protection shall be paid into the damage reserve fund.

Section 35. Special Funds; Common Cash Account and Auxiliary Short Term Investment Portfolio; Reserves.—

(a) The authority, pursuant to resolutions adopted from time to time by the board, may establish and create such other and additional special funds as may be found desirable by the board and in and by such resolutions may provide for payments into all special funds from specified sources with such preferences and priorities as may be deemed advisable and may also by any such resolutions provide for the custody, disbursement and application of any moneys in any such special funds consistent with the provisions of this act, and consistent with good accounting practice with due reference to the uniform system of accounts for transportation operations maintained by either the Interstate Commerce Commission or the Pennsylvania Public Utilities Commission.

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

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

Section 36. Limitation of Actions Against Authority.—

Within six months from the date that any injury was received, or any cause of action accrued, any person who is about to commence any civil action in any court against the authority for damages on account of any injury to his person shall file in the office of the secretary of the board, and also in the office of the chief counsel for the authority, either by himself, his agent, or attorney, a statement in writing, signed by himself, his agent, or attorney, giving the name of the person to

whom the cause of action has accrued, the name and residence of the person injured, the date, and about the hour of the accident, the place or location where the accident occurred, and the name and address of the attending physician, if any. If the notice provided for by this section is not filed as provided, any civil action commenced against the authority more than six months after the date of injury, shall be dismissed and the person to whom any such cause of action accrued for any personal injury shall be forever barred from further suing.

Section 37. Investigations and Subpoenas.—

(a) The board may investigate all means of transportation and the management thereof, the enforcement of its resolutions, rules and regulations, and the action, conduct, and efficiency of all officers, agents and employees of the authority. In the conduct of such investigations, the board may hold public hearings on its own motion and shall do so on complaint or petition of any municipality in the metropolitan area. Each member of the board shall have power to administer oaths and the secretary, by order of the board, shall issue subpoenas to secure the attendance and testimony of witnesses and the production of books and papers relevant to such investigations and to any hearing before the board or any member thereof, or any officers' committee or employees' committee, appointed by the board to hear any complaint of an officer or employee who has been discharged or demoted.

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

Section 38. Aid from Federal Government.—

In addition to the powers conferred upon any authority by other provisions of this act, such authority is empowered to borrow money or accept money or accept grants or other financial assistance from the Federal government, for or in aid of its operations. It is the purpose and intent of this act to authorize the authority, and the authority is so authorized, to do any and all things necessary or desirable to secure the financial aid or cooperation of the Federal government in any of its operations. Such things may include without limiting

the generality of the foregoing: the power to change or revise rates, fares and charges; to make relocation payments to families, businesses and non-profit organizations; to provide an area-wide transportation plan or program for the development of a comprehensive and coordinated mass transportation system for the metropolitan area; to carry out research, development and demonstration projects; to provide a share of the cost of any project; all as may be required by any Federal law or by the requirements of any Federal agency authorized to administer any Federal program of aid to any mass transportation program.

Section 39. Exemption from Taxation.—

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

Section 40. Limitation of Powers.—

The Commonwealth does hereby pledge to and agree with any person, firm or corporation, or Federal agency subscribing to or acquiring the bonds to be issued by any authority for the construction, extension, improvement or enlargement of any project or part thereof, that the Commonwealth will not limit or alter the rights hereby vested in such authority until all bonds at any time issued, together with the interest thereon, are fully met and discharged. The Commonwealth does further pledge to and agree with the United States and any other Federal agency that, in the event that any Federal agency shall construct or contribute any funds for the construction, extension, improvement or enlargement of any project or any portion thereof, the Commonwealth will not alter or limit the rights and powers of the authority in any manner which would be inconsistent with the continued maintenance and operation of the project, or the improvement thereof, or which would be inconsistent with the due performance of any agreements between the authority and any such Federal agency, and the au-

thority shall continue to have and may exercise all powers herein granted, so long as the same shall be necessary or desirable for the carrying out of the purposes of this act and the purposes of the United States in the construction or improvement or enlargement of the project or such portion thereof.

Section 41. Severability.—

If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of this act, and the application of such provision to other persons or circumstances, shall not be affected thereby, and to this end, the provisions of this act are declared to be severable.

Section 42. Repealer.—

All acts or parts of acts, whether general, special or local, inconsistent herewith, are hereby repealed.

Section 43. Effective Date.—

This act shall take effect January 15, 1964.

APPROVED—The 14th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 451

AN ACT

Amending the act of March 31, 1949 (P. L. 372), entitled "An act to promote the welfare of the people of the Commonwealth; creating The General State Authority as a body corporate and politic with power to construct, improve, equip, furnish, and operate projects, and to lease the same, and to fix fees, rentals, and charges for the use thereof; authorizing and regulating the issuance of bonds for said Authority, and providing for the payment of such bonds, and the rights of the holders thereof; and to enter into agreements with the Government of the United States or any Federal agency; and authorizing the Department of Property and Supplies to grant, assign, convey, or lease to the Authority lands of the Commonwealth and interests therein and to acquire lands therefor; granting the right of eminent domain; empowering The General State Authority to sell and convey projects and property to the Commonwealth; and providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted by this act," increasing the powers and the borrowing capacity of the Authority, allocating the proceeds of such borrowing capacity, and regulating the leasing of projects constructed for State aided institutions.

The General
State Authority
Act of 1949.

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