

day of December, one thousand nine hundred sixty-seven, shall be adjusted to reflect the amendments made to section 404 (c) (2) by this act: Provided, however, That the provisions of this section shall not be applicable unless as of said date, the claimant is in an unexpired benefit year.

Section 3. The amendments to section 404 (a) (1), section 404 (c) and section 404 (e), shall be effective with respect to applications for benefits filed on or after the first day of January, one thousand nine hundred sixty-eight. The amendments to section 404 (d) shall be effective with respect to claims for weeks ending on or after the first day of January, one thousand nine hundred sixty-eight.

APPROVED—The 17th day of January, A. D. 1968.

RAYMOND P. SHAFER.

---

No. 7

AN ACT

SB 1130

Promoting the welfare of the people of the Commonwealth; creating The Pennsylvania Transportation Assistance Authority as a body corporate and politic with power to acquire, construct, improve, equip and lease transportation assistance projects; and to fix the rentals, fees and charges for the use thereof; authorizing and regulating the issuance of bonds by the authority and providing for the payment of such bonds, and the rights of the holders thereof; authorizing the authority to enter into agreements, including agreements for the joint ownership of transportation assistance projects, with the government of the United States, any Federal agency, any political subdivision of the Commonwealth, any other authority organized by any thereof, any transportation company, or with any combination of the foregoing; granting to the authority the right of eminent domain; authorizing the Department of Commerce and the Department of Community Affairs to lease transportation assistance projects from the authority and to cooperate with local bodies; authorizing gifts to the authority by political subdivisions and corporations; empowering the authority to sell and convey transportation assistance projects and providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted by this act.

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

Section 1. Short Title.—This act shall be known and may be cited as “The Pennsylvania Transportation Assistance Authority Act of 1967.”

Section 2. Definitions.—The following terms, whenever referred to or used in this act, shall have the following meanings unless the context clearly indicates otherwise:

(1) “Authority” shall mean the body created by section 3 of this act.

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

(3) "Bonds" shall mean and include any negotiable or non-negotiable notes, bonds, bond anticipation notes, equipment trust certificates and other evidences of indebtedness or obligations of the authority.

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

(5) "Property" shall mean all property, real, personal or mixed, tangible or intangible, or any interest therein including fractional and undivided co-ownership interests.

(6) "Local transportation organization" shall mean any political subdivision or any mass transportation or port authority now or hereafter organized under the laws of Pennsylvania or pursuant to an interstate compact or otherwise empowered to render transportation service or assist in the rendering of transportation service in a limited area in the Commonwealth of Pennsylvania, even though it may also render transportation service in adjacent states.

(7) "Person" shall mean and include natural persons, firms, associations, corporations, business trusts, partnerships and public bodies, including local transportation organizations.

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

(9) "Construction" shall mean and include acquisition and construction, and the term "to construct" shall mean and include to acquire and to construct, all in such manner as may be deemed desirable.

(10) "Improvement" shall mean and include extension, enlargement, equipping, furnishing and improvement, and the term "to

improve" shall mean and include to extend, to enlarge, to equip, to furnish and to improve, all in such manner as may be deemed desirable.

(11) "Equipment" and "furnishings" shall mean and include any equipment and furnishings whatsoever as may be deemed desirable and required by the lessee or a sublessee of a project and approved by the board for the use and occupancy of such project, and the terms "to equip" or "to furnish" shall mean and include the installation of such equipment and furnishings.

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

Section 3. Transportation Assistance Authority.—The Governor, the State Treasurer, the Auditor General, the Secretary of Community Affairs, the Secretary of Commerce, the Secretary of Property and Supplies, the Secretary of Highways, the Speaker of the House of Representatives, the President *pro tempore* of the Senate, the minority leader of the Senate, and the minority leader of the House of Representatives, and their respective successors in office, are hereby created a body corporate and politic constituting a public corporation and governmental instrumentality by the name of "The Pennsylvania Transportation Assistance Authority." The members of the authority shall be entitled to no compensation for their services as members but shall be entitled to reimbursement for all necessary expenses incurred in the connection with the performance of their duties as members.

Section 4. Purposes; General.—The authority is created for the purpose of constructing, improving, equipping, maintaining and leasing, as lessee or lessor, at any stage of construction or after completion, any project or projects, or for the purpose of acquiring by purchase or assignment or otherwise, all or part, of any construction or acquisition contracts, from the Department of Commerce, the Department of Community Affairs, or any local transportation organization relating to any project or projects at any stage of construction, or after completion, but in any case only if such project or projects shall be initiated by and leased to the Department of Commerce or the Department of Community Affairs. The authority shall not undertake any project that is not so initiated and so leased, or the subject of a contract to lease, to one or the other of such departments. The authority is authorized to undertake any project if the primary purpose thereof, as determined by the leasing department which determination shall be conclusive, is to facilitate and improve public passenger or public passenger and mail transportation, in accordance with the programs of such department, notwithstanding that such project or portion thereof may also be used in connection with the freight

service of the public transportation company involved, except that this limitation to public passenger and mail transportation shall not apply to projects consisting of new transportation routes, corridors, or rights-of-way therefor.

Section 5. Powers; General.—(a) The authority is hereby granted and shall have and may exercise all powers necessary or convenient for the carrying out of the aforesaid purposes, including but not limited to the following rights and powers:

(1) To have perpetual existence as a corporation.

(2) To sue and be sued, implead and be impleaded, complain and defend in the courts of a county in which a project involved in such suit, or any part thereof, is located, but otherwise only in the Commonwealth Court in the county of Dauphin, to petition the Interstate Commerce Commission, Pennsylvania Public Utility Commission, or other State or Federal regulatory body or Federal agency; or join in any proceeding before any such bodies or courts in any matter affecting the financing or operating of any project of the authority, but nothing in this section shall be construed as subjecting the authority to any substantive liability or to the jurisdiction of any other court, Federal or State, to which it would not otherwise be subject.

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

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

(5) To make bylaws for the management and regulation of its affairs.

(6) To appoint officers, agents, employes and servants; to prescribe their duties and to fix their compensation.

(7) To arrange with The General State Authority for the performance of staff services by the staff of that authority, or by the part-time services of some one or more of such personnel.

(8) To acquire by purchase or lease, construct and improve, hold and use any property necessary or desirable for carrying out the purposes of the authority; to sell, lease as lessor, transfer and dispose of any such property; and to do all acts and things necessary or convenient to carry out the powers granted to it by this act or any other acts.

(9) To make contracts of every name and nature, and to execute all instruments necessary or convenient for the carrying on of its business.

(10) To borrow money, make and issue bonds and refunding bonds of the authority, not exceeding thirty million dollars (\$30,000,000) in aggregate principal amount outstanding at any one time, and to secure the payment of such bonds, or any series 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) Without limiting clause (10) of this section 5, to borrow money from and accept grants from, and to enter into contracts, leases or other transactions with any local transportation organization or with any Federal agency either alone or in cooperation with one or more local transportation organizations.

(12) To fix, alter, charge, and collect rates, rentals and other charges for the use of the projects of the authority at reasonable rates, to be determined by it, for the purpose of providing for the payment of the expense of the authority, the construction, improvement, repair, furnishing and maintenance of its projects, the payment of the principal of and interest on its bonds, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such bonds.

(13) To have the power of eminent domain in accordance with the "Eminent Domain Code" of 1964, or as hereinafter authorized when acting together with any local transportation organization.

(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 bonds of the authority.

(b) 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 of its political subdivisions, nor shall any of its bonds, obligations or debts be deemed to be obligations of the Commonwealth or any of its political subdivisions, nor shall the Commonwealth nor any of its political subdivisions be liable for the payment of principal of, or interest on, such bonds, obligations or debts.

(c) The authority shall have no power at any time or in any manner to undertake any project that the Department of Commerce or the Department of Community Affairs determines will involve unnecessary and unfair competition.

Section 6. Purposes and Powers; Cooperation with Federal Agencies and Local Transportation Organizations.—(a) The authority is hereby authorized to enter into agreements providing for mutual cooperation between it and any Federal agency to the extent authorized by law, between it and any Federal agency and any local transportation organization, or transportation company, or one or more of them, in any or all projects, including joint applications for Federal grants. Without limitation of the foregoing, the authority and the Department of Commerce or the Department of Community Affairs, with the approval of the Governor, are authorized to enter into commitments with any Federal agency, alone, or jointly with any local transportation organization, or transportation company or both of them, to provide, out of the net proceeds of a sale of the authority's bonds, the cash to be supplied by the Commonwealth, as its portion of the cost of any capital items in any Federally aided transportation program, provided the portion of such capital items as covered by the commitment shall have been made the subject of a contract to lease between the authority and the department involved.

(b) It is the purpose and intent of this act to authorize the authority and the authority is hereby given the power and authority, in addition to any powers conferred upon the authority by any other provision of this act, to do any and all other things necessary or desirable to secure the financial aid or cooperation of any Federal agency in any of the authority's projects, and to do and perform all things which may be required by any statute of the United States of America or by the lawful requirements of any Federal agency authorized to administer any program of Federal aid to transportation.

Section 7. Purposes and Powers; Bonds.—(a) The bonds of the authority shall be authorized by resolution of the board or by and pursuant to an indenture of trust and shall be of such series, bear such date or dates, be stated to mature at such time or times, not exceeding thirty years from their respective dates, be issued as serial or term bonds, or as part serial and part term bonds, or any combination thereof, or as a single bond payable in installments, bear interest payable annually, semi-annually or quarterly, be in such denominations, be in such form, either as negotiable commercial paper, or as investment securities in bearer or registered form, carry such registration, exchangeability and interchangeability privileges, be payable in such medium of payment and at such place or places, be subject to such terms of redemption at such prices not exceeding one hundred six per cent of the principal amount thereof, and be entitled to such priorities in the revenues, rentals or receipts of the authority as such resolution or indenture may provide. The bonds shall be signed manually or by facsimile by such officers as the authority shall determine, and coupon bonds shall have attached thereto interest coupons bearing the facsimile signature of the treasurer of the authority, all as may be prescribed in such resolution or indenture. No bond shall be issued or delivered without at least one manual signature, which may be that of an officer of the fiscal agent or of the trustee under the relevant resolution or indenture. Any such bonds may be issued and delivered notwithstanding that one or more of the officers signing such bonds, or the treasurer whose facsimile signature shall be upon the coupons or any thereof, shall have ceased to be such officer or officers at the time when such bonds shall actually be delivered.

(b) Said bonds shall be sold to the highest responsible bidder or bidders proposing the lowest net interest cost to the authority, determined by computing the interest on the bonds to their stated maturity dates and adding thereto the discount or subtracting therefrom the premium specified in such bid after public notice, by two advertisements in not less than three or more than five newspapers of large general circulation in different parts of the Commonwealth, the first advertisement to be published not less than twenty days and the second not less than five days before the day fixed for the opening of bids. No bonds shall be sold if the net interest cost computed to stated maturity dates of the bonds of the money received for any

issue of such bonds shall exceed six per cent a year. The notice shall contain a general description of the bonds, the manner, place and time of the sale, or the time limit for the receipt of proposals, the name of the officer to whom, or to whose designee, bids or proposals shall be delivered and a statement of the terms and conditions of sale: Provided, however, That any of said bonds may be sold to the State Employees' Retirement Board, School Employees' Retirement Board, or to any other custodial board or fund, or to the State Employees' Retirement Fund, or by private placement with a group of not more than twenty-five ultimate investors who purchase for investment and not with a view to distribution, without advertisement or competitive bidding. Pending the preparation of the definitive bonds, interim receipts or temporary bonds may be issued to the purchaser or purchasers of such bonds and may contain such terms and conditions as the authority may determine.

(c) Any resolution or indenture authorizing any bonds may contain provisions which shall be part of the contract with the holders thereof as to:

(1) Pledging the full faith and credit of the authority (but not of the Commonwealth or any political subdivision thereof) for such bonds or restricting the same to all or any of the revenues, rentals or receipts of the authority from all or any projects or properties;

(2) The construction, improvement, maintenance and repair of any project or projects and the duties of the authority with reference thereto;

(3) The terms and provisions of the bonds;

(4) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant by any Federal agency may be applied;

(5) The rate of the rentals and other charges for use of the facilities of, or for the services rendered by the authority, including limitations upon the power of the authority to modify any leases or other agreements pursuant to which any rentals, or other charges are payable;

(6) The setting aside of reserves or sinking funds and the regulation and disposition thereof;

(7) Limitations on the issuance of additional bonds;

(8) Any terms and provisions for the security of the bonds or under which the same may be issued; and

(9) Any other or additional agreements with the holders of the bonds.

(d) The authority is authorized to combine any one or more projects for financing and leasing purposes and to issue one or more series of bonds to finance such combined projects provided that the aggregate of the rentals to be received under the leases of such projects, shall be at least sufficient to pay the current expenses of the authority allocable to the projects and to provide for the payment of

the principal of and interest upon such bonds as the same may be stated to mature.

(e) The authority may enter into any indentures of trust, or other agreements with any bank or trust company or other person or persons in the United States having power to enter into the same, including any Federal agency, or may designate any such as fiscal agent under a bond resolution, in order to provide for the security for such bonds, and may assign and pledge all or any of the revenues, rentals or receipts of the authority thereunder. Such indenture, resolution, or other agreement may contain such provisions as may be customary in such instruments or as the authority may authorize, including (but without limitation) provisions as to:

(1) The construction, improvement, maintenance and repair of any project or projects and the duties of the authority with reference thereto;

(2) The application of funds and the safeguarding of funds on hand, invested, or on deposit;

(3) The rights and remedies of said trustees or fiscal agent and the holders of the bonds (which may include restrictions upon the individual right of action of such bondholders); and

(4) The terms and provisions of the bonds or the resolutions or indentures authorizing the issuance of the same.

Section 8. Remedies of Bondholders.—(a) The rights and the remedies herein conferred upon or granted to the bondholders shall be in addition to and not in limitation of any rights and remedies lawfully granted to such bondholders by the resolution or indenture providing for the issuance of bonds. If the authority shall default in the payment of the interest on any of the bonds after the same shall become due, and such default shall continue for a period of thirty days, or if the authority shall default in the payment of principal after the same shall become due whether at maturity or upon any unrevoked call for redemption, or if the authority shall fail or refuse to comply with the provisions of this act or shall default in any agreement made with the holders of the bonds, the holders of twenty-five per cent in aggregate principal amount of bonds then outstanding under the indenture or bond resolution involved, by instrument or instruments filed in the office of the recorder of deeds of the County of Dauphin and proved or acknowledged in the same manner as a deed to be recorded, may (except as such right may be limited under the provisions of any indenture or other agreement as aforesaid) appoint a trustee to represent the bondholders for the purposes herein provided. Such trustee or any trustee under any indenture or the fiscal agent under any resolution or other agreement may, and upon written request of the holders of twenty-five per cent (or such other percentage as may be specified in any resolution, indenture or other agreement aforesaid) in principal amount of the bonds then outstanding under such indenture or resolution shall, in his or its own name—



(1) By mandamus or other suit, action or proceeding at law or in equity, in the appropriate court in the County of Dauphin enforce all rights of the bondholders, including the right to require the authority to collect rates, rentals and other charges, adequate to carry out any agreement as to, or pledge of, the revenues or receipts of the authority and to require the authority to carry out any other agreements with, or for the benefit of, the bondholders, and to perform its and their duties under this act;

(2) Bring suit upon the bonds in the appropriate court in the County of Dauphin;

(3) By action or suit in equity, in the appropriate court in the County of Dauphin require the authority to account as if it were the trustee of an express trust for the bondholders;

(4) By action or suit in equity, in the appropriate court in the County of Dauphin enjoin any acts or things which may be unlawful, or in violation of the rights of the bondholders;

(5) By notice in writing to the authority, declare all bonds due and payable and, if all defaults shall be made good, then with the consent of the holders of twenty-five per cent (or such other percentage as may be specified in any indenture, resolution or other agreement aforesaid) of the principal amount of the bonds then outstanding, to annul such declaration and its consequences.

(b) Any trustee, whether appointed as aforesaid or acting under an indenture or other agreement, or any fiscal agent acting under a bond resolution, and whether or not all bonds issued under such indenture or resolution have been declared due and payable, shall be entitled as of right to the appointment of a receiver, who may (to the same extent that the authority itself could so do) enter and take possession of the facilities of the authority, or of the authority's fractional and undivided interest in any project, or any parts thereof, the revenues, rentals or receipts from which are or may be applicable to the payment of the bonds so in default, and operate and maintain the same, or contract with any co-owners for the operation and maintenance of the same, and collect and receive all rentals and other revenues thereafter arising therefrom in the same manner as the authority might do, and shall deposit all such moneys in a separate account and apply the same in such manner as the court shall direct. In any suit, action or proceeding by the trustee, or fiscal agent, the fees, counsel fees and expenses of the trustee or of the fiscal agent and of the receiver, if any, and all costs and disbursements allowed by the court, shall be a first charge on any revenues and receipts derived from the project or projects of the authority, the revenues or receipts from which are or may be applicable to the payment of the bonds so in default. Such trustee or fiscal agent shall, in addition to the foregoing, have and possess all the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the bondholders in the enforcement and protection of their rights.

(c) In addition to all other rights and other remedies, any <sup>1</sup> holder of bonds of the authority shall have the right, subject to any limitations contained in the relevant indenture or resolution, by mandamus or other suit, action or proceeding at law or in equity in the appropriate court in the County of Dauphin to enforce his rights against the authority, including the right to require the authority to collect fees, rentals and other charges adequate to carry out any agreement with such bondholder as to, or pledge of, such fees, rentals or other charges, or income, revenues, and receipts, and to require the authority to carry out any of its covenants and agreements with the bondholders and to perform its and their duties under this act: Provided, however, That nothing in this section or any other section of this act shall authorize any receiver appointed pursuant to this act for the purpose of operating and maintaining any project or projects of the authority, to sell, assign, mortgage, or otherwise dispose of, any of the assets of whatever kind and character belonging to the authority. It is the intention of this act to limit the powers of such receiver to the operation and maintenance of the projects of the authority, as a successor of the authority as the court shall direct, and no holder of bonds of the authority, nor any trustee, shall ever have the right in any suit, action or proceeding at law or in equity, to compel a receiver, nor shall any receiver ever be authorized, or any court be empowered to direct the receiver, to sell, assign, mortgage or otherwise dispose of, any assets of whatever kind or character belonging to the authority.

Section 9. Governing Body.—(a) The powers of the authority shall be exercised by a governing body consisting of the members of the authority acting as a board. Within ninety days after this act shall become effective, the board shall meet and organize by electing from their number a president, a treasurer, and a secretary. At the first regular meeting in each year thereafter, they shall elect from their number a president, a treasurer, and a secretary.

(b) Seven members shall constitute a quorum of the board for the purpose of organizing the authority and conducting the business thereof at meetings and for all other purposes and all action at meetings shall only be taken by vote of a majority of the members of the authority, unless in any case the bylaws shall require a larger number.

(c) The board may take any action by the written consent of at least ten members of the board after notice to all and the failure of any member to request that the action be taken only at a meeting, provided that public announcement is made of the proposed action, and of the request for consents, before such written consents are signed.

(d) The board shall have full authority to manage the properties, projects and business of the authority and to prescribe, amend and

<sup>1</sup> "holders" in original.

repeal bylaws, rules and regulations governing the manner in which the business of the authority may be conducted and the powers granted to it may be exercised and embodied. The board shall fix and determine the number of officers, agents and employes of the authority and their respective compensation and duties, using the staff of The General State Authority for the <sup>1</sup>purpose wherever practicable to do so, and may delegate to one or more of their number as a committee or otherwise or to one or more of said officers, agents or employes, such powers and duties as it may deem proper.

Section 10. Moneys of the Authority.—(a) All moneys of the authority, from whatever source derived, shall be paid to the treasurer of the authority. Said moneys shall be deposited in the first instance in one or more banks or banks and trust companies in one or more special demand or time accounts or pursuant to one or more certificates of deposit and each of such special accounts or certificates of deposit shall, to the extent not covered by Federal deposit insurance, be continuously secured by a pledge of direct obligations of the United States of America, of the Commonwealth, of a state of the United States, of The General State Authority, of the State Highway and Bridge Authority, or of a county of the Commonwealth, having an aggregate market value, exclusive of accrued interest, at all times, at least equal to the balance on deposit in such account or held pursuant to such certificate. 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 banks and trust companies are hereby authorized to give such security for such deposits. The moneys in said accounts shall be paid out on the check, warrant or other order of the treasurer of the authority or such other person or persons as the authority may authorize to execute such checks, warrants or orders.

(b) Moneys of the authority may be invested, pending the expenditure thereof, in any medium of investment in which the State Treasurer is, at the time of such investment, authorized to invest moneys of the Commonwealth.

(c) The Department of Revenue of the Commonwealth or its legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its finances, operation and affairs.

Section 11. Contracts to Lease and Leases from the Authority by the Department of Commerce or the Department of Community Affairs.—(a) The Department of Commerce and the Department of Community Affairs shall each have power and authority, with the approval of the Governor, to enter into contracts to lease and to lease, as lessee, projects undertaken by the authority, at such rental or

<sup>1</sup> "purposes" in original.

rentals, payable out of the current appropriations to such department for the purpose, as may be determined by the authority and agreed to by the department involved. Such leases may commence at any stage of construction or acquisition, and shall be for a term not exceeding thirty years or the estimated useful life of the project, whichever shall be the shorter. For the purposes of this act the useful life of all rights-of-way, track, roadbeds, tunnels, electrification systems, structures, buildings, stations, and the like shall be taken as thirty years or longer; the useful life of rolling stock as fifteen years; the useful life of passenger buses as twelve years; and of the useful life of signal and communications systems as ten years.

(b) The Department of Community Affairs and the Department of Commerce shall each have the power and authority, so long as they shall not be in default under the relevant lease to the authority, to sublease any or all projects leased by such department from the authority, in consideration of the added public service to be made available by the use of the project, or such other appropriate consideration as may be agreed, to any local transportation organization, or to any transportation company. In view of the particular sensitivity of a local transportation organization to local needs of substantial metropolitan areas, neither the Department of Community Affairs nor the Department of Commerce shall sublease projects for use exclusively or principally in the service area of a local transportation organization in which a city or county of the first or second class has membership, except in accordance with a system of priorities agreed upon by the local transportation organization and such department. In the case of such a project subleased for use exclusively or principally within such local service area, no sublease shall be made except in accordance with agreements between the local transportation organization and such department with respect to such use. In the case of such a project not falling within the scope of the preceding sentence subleased for use both within and without the service area of such a local transportation organization, no sublease shall be made unless it provides routes, schedules and fares applicable wholly within such service area, which have been mutually agreed to by such local transportation organization and such department. All such subleases shall be made expressly subject in all respects to the lease from the authority to the Department of Commerce or the Department of Community Affairs, including the right of the authority to re-enter and take possession upon default of payments of rent by the Department of Commerce or the Department of Community Affairs as the case may be.

(c) The Department of Commerce and the Department of Community Affairs shall each have power and authority to lease, as lessee any property from the authority where such property is required for the use and occupancy of any project previously leased by such department, and was not included in such lease, and to sublease the same as hereinabove provided.

Section 12. Contracts, Procurement and Sale of Property, Competition in Award of Contracts.—(a) The authority shall have power and authority to enter into contracts and to make joint contracts of purchase with any local transportation organization in any manner complying with the law applicable to such local transportation organization. The authority shall also have power and authority to make contracts for the improvement of any rights-of-way, roadbeds or rolling stock, or electrification systems, or other transportation systems, or parts thereof, constituting a project without advertisement for competitive bids, where such work is to be done at cost by the personnel and with the facilities of the local transportation organization or of the transportation company on whose system such property is to be used.

(b) Except in the purchase of projects from a local transportation organization, or in the purchase of unique articles, or articles which, for any other reason, cannot be obtained in the open market, and except as herein specifically provided, competitive bids shall be secured before any purchase or sale, by contract or otherwise, is made or before any contract is awarded for construction, alterations, supplies, equipment, repairs or maintenance or for rendering any services to the authority other than professional services; and the purchase shall be made from or the contract shall be awarded to the lowest responsible bidder; or a sale to the highest responsible bidder. No purchase of any unique article or other articles which cannot be obtained in the open market shall be made without express approval of the board where the amount involved is in excess of five thousand dollars (\$5,000).

(c) Except as herein specifically provided otherwise, all purchases and sales in excess of five thousand dollars (\$5,000) shall be awarded after advertising in a newspaper of general circulation in the area where the property is to be used not less than 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. In all cases of purchases or sales in excess of five thousand dollars (\$5,000) authorized hereunder to be made without competitive bidding except purchases from or sales to a local transportation organization or contracts with a transportation company pursuant to subsection (a) of this section 12, invitations to bid shall be sent not less than 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.

(d) Purchases or sales under five thousand dollars (\$5,000) may be negotiated with or without competitive bidding under sound procurement procedures as promulgated and established by the board.

(e) Competitive bidding requirements may be waived if it is determined in such other manner as the board may, by regulation, pro-

vide, that an emergency directly and immediately affecting customer service, or public health, safety or welfare requires immediate delivery of supplies, materials, or equipment: 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) Contracts for the sale or lease of property owned by the authority shall be awarded after competitive bidding as shown in subsection (c) of this section 12, except where a contract is entered into with the Commonwealth or any political subdivision or agency or instrumentality thereof, local transportation organization or Federal agency.

(g) Requirements shall not be split into parts for the purpose of avoiding the provisions of this section 12.

(h) 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 interest 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.

(i) The board shall adopt rules and regulations to effectuate the provisions of this section 12.

(j) The authority shall have the power to accept the assignment from any local transportation organization of all or any interest in any lawfully made contract for the procurement and purchase of any asset deemed necessary or desirable by the authority in connection with any project.

**Section 13. Power to Acquire Property.**—(a) The authority shall have the power to acquire by purchase, lease, eminent domain proceedings, gift or otherwise all or any property necessary for the promoting of its corporate purposes, including any property of a public utility, except that no line, route, franchise, certificate of public convenience, or certificate of authorization of a transportation company, or interest in any thereof shall be acquired without the consent of such company. All political subdivisions and corporations are hereby authorized to donate property to the authority.

(b) Eminent domain proceedings shall be in accordance with the act of June 22, 1964 (P. L. 84), known as the "Eminent Domain Code" and the authority, is empowered to join with any local transportation organization in obtaining any property through such eminent domain proceedings.

**Section 14. Use of Projects.**—The use of the projects of the authority by its lessees shall be subject to the rules and regulations from time to time adopted by the authority, which shall include the observance of the relevant safety standards of any regulatory body having jurisdiction to promulgate such standards, and all leases shall so provide; but the authority shall not be authorized hereby to do anything or suffer or permit any action which will impair the security of the holders of the obligations of the authority or violate any agreements with them or for their benefit or any agreement with a

local transportation organization or any Federal agency, or impair, suspend, contract, enlarge or extend, or affect in any manner the powers of the Pennsylvania Public Utility Commission or of the Interstate Commerce Commission, which by law are applicable to the local transportation organization involved or transportation company involved.

**Section 15. Pledge Against Limitation of Powers of Authority.**—The Commonwealth does hereby pledge to and agree with any person or Federal agency subscribing to or acquiring the bonds to be issued by the authority for the construction of any project or part thereof, that the Commonwealth will not limit or alter adversely the rights hereby vested in the 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 any Federal agency that if such Federal agency shall construct or contribute any funds for the construction 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 such Federal agency, and the authority shall continue to have and may exercise all powers herein granted, so long as the same shall be necessary or desirable for the carrying out of the purposes of this act and the purposes of the United States in the construction of any project or such portion thereof.

**Section 16. Exemption from Taxation.**—The effectuation of the authorized purposes of the 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 the authority will be performing essential governmental functions in effectuating such purposes, the authority shall not be required to pay any taxes upon any property acquired or used by it for such purposes and the bonds issued by the authority, their transfer and the income therefrom (including any profits made on the sale thereof), shall at all times be free from taxation, other than inheritance and estate taxation, within the Commonwealth of Pennsylvania.

**Section 17. Constitutional Construction.**—The provisions of this act shall be severable, and if any of the provisions thereof shall be held unconstitutional, such decisions shall not affect the validity of any of the remaining provisions of this act. It is hereby declared as the legislative intent that this act would have been adopted had such unconstitutional provision not been included herein.

**Section 18. Effective Date.**—*This act shall take effect immediately.*

APPROVED—The 22nd day of January, A.D. 1968.

RAYMOND P. SHAFER.