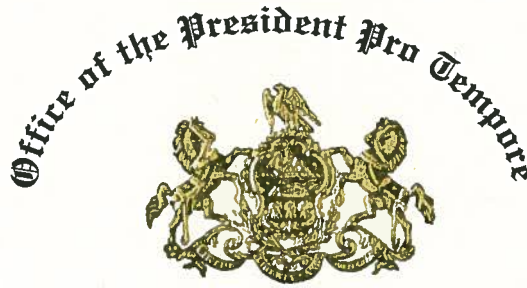


25TH DISTRICT  
**JOE SCARNATI**  
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**Senate of Pennsylvania**

**DISTRICT OFFICES**

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**TOLL FREE: 1-877-787-7084**

June 25, 2008

To Whom It May Concern:

I am writing regarding support for the transportation plan, which I recently introduced in the Senate of Pennsylvania. Fixing our roads and bridges, as well as eliminating the possibility of tolls on Interstate 80, must be a priority for every citizen in the Commonwealth.

Without question, we are faced with a transportation funding crisis, but solutions must be responsible, prudent and fiscally sound. Quite frankly, I believe my transportation plan accomplishes the aforementioned intended objectives. It puts the General Assembly and the Governor in a position to make tough, practical budgetary decisions. As well, the plan eliminates the tolling of Interstate 80. However, please know this business approach to solving our transportation funding crisis is not without detractors, and may be met with some opposition.

Therefore, in short, I am respectfully requesting your support in assisting me make this solution become a reality. As leaders in our community, it is my hope that you will support this plan in the form of a written resolution or statement sent to both myself and the media.

Please find enclosed elements of my plan and comparisons to other proposals in the General Assembly. Thank you for your time and attention. I do look forward to your response.

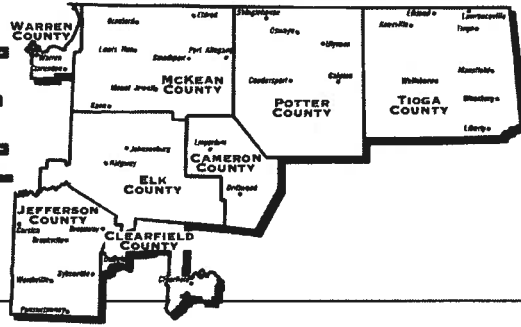
Sincerely,

Joe Scarnati  
State Senator-25<sup>th</sup> District

JBS/tmn

# NEWS RELEASE

**Senator Joe Scarnati**  
25th Senatorial District



IMMEDIATE RELEASE:  
May 22, 2008

## ***SCARNATI: NEW TRANSPORTATION PLAN*** ***\*\*\*ELIMINATES I-80 TOLLS\*\*\****

WARREN—Senate President Pro Tempore Joe Scarnati is sponsoring a transportation plan that will repeal Act 44 and eliminate the possibility of tolls on Interstate 80.

“While Act 44 did provide a much needed boost to our transportation funding crisis in the Commonwealth, the citizens of this district demanded that we do better,” Scarnati said. “Therefore, as other legislators were doing little, but mentioning their opposition, I actually began working on a plan that would meet our road and bridge challenges, while at the same time not burden the drivers of Interstate 80.”

Scarnati mentioned that it was important to have valuable dialogue with the constituents concerned with Act 44 and believes this led to further examination of the existing proposal.

“I have stated time and time again, that I did not support tolling I-80, but realized that Pennsylvania was faced with a transportation funding crisis,” Scarnati stated. “After tremendous input from various individuals and groups, I realized that we needed an improved plan that will meet the demands of our motoring public without placing any area at an economic disadvantage. I believe my plan will do just that.”

“Clearly, this transportation plan requires the General Assembly and the Governor to make tough budgetary decisions,” Scarnati added. “However, I am confident that my colleagues will see the merit in this fiscally prudent transportation funding plan.”

Enclosed you will find elements to Senator Scarnati’s transportation plan.

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## **Transportation Funding With Sound Fiscal Restraint**

### **Senator Joe Scarnati**

Act 44 provided a much needed boost to transportation funding in Pennsylvania and created an improved funding formula for public transportation. Unfortunately, it also called for increased tolls for the users of the Pennsylvania Turnpike and the unprecedented move to add tolls to Interstate 80.

Many Pennsylvania taxpayers have asked us to do better. This plan seeks to meet the challenge of funding transportation without unduly burdening drivers on Interstate 80 or the Pennsylvania Turnpike and without selling the Turnpike.

In order to make this plan work and eliminate the need for tolls on Interstate 80 tough fiscal choices will have to be made.

#### **Plan Elements**

- Repeal the authority to toll Interstate 80.
- Transfer the responsibility for funding the Pennsylvania State Police out of the Motor License fund over a two year period.
  - \$255,000,000 in fiscal year 2008-2009
  - \$510, 000,000 in fiscal year 2009-2010
- Fund the Pennsylvania State Police annually from the General Fund through a dedicated portion of the existing personal income tax.
- Lower the expected growth in tolls anticipated by Act 44 on the mainline of the Pennsylvania Turnpike by 20%.
- Continue to rely on the Pennsylvania Turnpike Commission to fund a large portion of the revenue used to support public transportation.
- Increase the required local match for transit operating expenses from 15% to 18%.
- Evaluate the operating expenses of the Pennsylvania Turnpike through an independent auditor and use the proceeds from the implementation of any cost saving recommendations to supplement statewide transportation funding.
- Issue general obligation bonds to cover the transitional period for the shift of Motor License Funds away from the State Police budget back to highway funding. (\$255,000,000)
- Plan for up to \$1 billion in additional debt to be issued over the next 20 years, as needed, to fund long term transportation projects.
- Enact legislation authorizing the Commonwealth to enter into Public Private Partnerships for the purpose of constructing and managing new capacity highway and transportation improvement projects. (SB 1158)

FY ending	Act 44 Planned Payments	Scarnati Plan Total-All Elements	Abertis Deal Trust-Net \$10.4 Billion at 12%	Abertis Deal Trust-Net 10.4 billion at 9%	Abertis Deal Trust-Net 10.4 Billion at 7%	Abertis Deal Trust-Net 10.4 Billion at 5%
	2.5% after 2010					
2009	\$850,000,000	\$852,000,000	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2010	\$900,000,000	\$1,109,250,000	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2011	\$922,500,000	\$924,206,250	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2012	\$945,562,500	\$939,457,406	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2013	\$969,201,563	\$955,010,026	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2014	\$993,431,602	\$970,870,823	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2015	\$1,018,267,392	\$1,187,046,669	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2016	\$1,043,724,076	\$1,003,544,599	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2017	\$1,069,817,178	\$1,020,371,815	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2018	\$1,096,562,608	\$1,037,535,689	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2019	\$1,123,976,673	\$1,055,043,770	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2020	\$1,152,076,090	\$1,272,903,785	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2021	\$1,180,877,992	\$1,091,123,646	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2022	\$1,210,399,942	\$1,109,711,453	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2023	\$1,240,659,940	\$1,128,675,497	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2024	\$1,271,676,439	\$1,148,024,270	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2025	\$1,303,468,350	\$1,367,766,465	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2026	\$1,336,055,059	\$1,187,910,980	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2027	\$1,369,456,435	\$1,208,466,930	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2028	\$1,403,692,846	\$1,229,443,644	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2029	\$1,438,785,167	\$1,250,850,676	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2030	\$1,474,754,796	\$1,472,697,808	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2031	\$1,511,623,666	\$1,294,995,056	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2032	\$1,549,414,258	\$1,317,752,676	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2033	\$1,588,149,614	\$1,340,981,169	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2034	\$1,627,853,355	\$1,364,691,289	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2035	\$1,668,549,688	\$1,388,894,046	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2036	\$1,710,263,431	\$1,413,600,717	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2037	\$1,753,020,016	\$1,438,822,847	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2038	\$1,796,845,517	\$1,464,572,259	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2039	\$1,841,766,655	\$1,490,861,062	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2040	\$1,887,810,821	\$1,517,701,653	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2041	\$1,935,006,092	\$1,545,106,730	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2042	\$1,983,381,244	\$1,573,089,295	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2043	\$2,032,965,775	\$1,601,662,663	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2044	\$2,083,789,919	\$1,630,840,472	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2045	\$2,135,884,667	\$1,660,636,685	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2046	\$2,189,281,784	\$1,691,065,605	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2047	\$2,244,013,829	\$1,722,141,878	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2048	\$2,300,114,174	\$1,753,880,504	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2049	\$2,357,617,029	\$1,786,296,846	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2050	\$2,416,557,455	\$1,819,406,637	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2051	\$2,476,971,391	\$1,853,225,991	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2052	\$2,538,895,676	\$1,887,771,410	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2053	\$2,602,368,068	\$1,923,059,797	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2054	\$2,667,427,269	\$1,959,108,463	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2055	\$2,734,112,951	\$1,995,935,138	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2056	\$2,802,465,775	\$2,033,557,983	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2057	\$2,872,527,419	\$2,071,995,596	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2058	\$2,944,340,605	\$2,111,267,027	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
2059	\$3,017,949,120	\$2,151,391,790	\$ 1,260,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
<b>Total</b>	<b>\$88,585,913,909</b>	<b>\$73,326,225,484</b>	<b>\$ 63,660,000,000</b>	<b>\$ 47,736,000,000</b>	<b>\$ 37,128,000,000</b>	<b>\$ 26,520,000,000</b>
2009-2019	\$993,913,054	\$1,004,939,732	\$ 1,248,000,000	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000
50 Year At	\$1,736,978,704	\$1,437,769,127	\$ 1,248,235,294	\$ 936,000,000	\$ 728,000,000	\$ 520,000,000

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**

**No. 1505** Session of  
2008

INTRODUCED BY SCARNATI, D. WHITE, CORMAN, BROWNE AND WOZNIAK,  
JUNE 23, 2008

REFERRED TO TRANSPORTATION, JUNE 23, 2008

AN ACT

1 Amending Titles 74 (Transportation) and 75 (Vehicles) of the  
2 Pennsylvania Consolidated Statutes, providing for annual  
3 limitation on expenditure from Motor License Fund;  
4 establishing the Pennsylvania State Police Fund; further  
5 providing for the Public Transportation Trust Fund and for  
6 operating program; providing for turnpike operation  
7 modernization and improvement; further providing for deposit  
8 and distribution of funds; canceling conversion of Interstate  
9 80; and further providing for financial plan and for failure  
10 to perform.

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

13 Section 1. Title 74 of the Pennsylvania Consolidated  
14 Statutes is amended by adding sections to read:

15 § 304. Annual limitation on expenditure from Motor License  
16 Fund.

17 Other than the following amount for the fiscal year  
18 specified, no funds may be expended or transferred from the  
19 Motor License Fund for the purpose of the operations of the  
20 Pennsylvania State Police:

21 For the fiscal year beginning July 1, 2008, not more than

1       \$255,000,000.

2       § 305. Pennsylvania State Police Fund.

3       (a) Establishment.--The Pennsylvania State Police Fund is  
4 established in the State Treasury. The moneys of the fund are  
5 hereby appropriated to the Pennsylvania State Police on a  
6 continuing basis for the purposes set forth in this section.

7       (b) Source of funding.--Notwithstanding any other provision  
8 of law to the contrary, the following minimum amounts for the  
9 fiscal years specified shall be deposited into the fund from  
10 moneys collected under Article III of the act of March 4, 1971  
11 (P.L.6, No.2), known as the Tax Reform Code of 1971:

12           (1) For the fiscal year beginning July 1, 2008, 2.2% of  
13 the amount collected under Article III of the Tax Reform Code  
14 of 1971.

15           (2) For the fiscal year beginning July 1, 2009, and each  
16 year thereafter, 4.1% of the amount collected under Article  
17 III of the Tax Reform Code of 1971.

18       (c) Use of funds.--In addition to any other moneys  
19 appropriated or made available to the Pennsylvania State Police  
20 for any purpose, the moneys of the fund shall be expended by the  
21 Pennsylvania State Police for the purpose of its operations,  
22 including, but not limited to, the enforcement of the provisions  
23 of 75 Pa.C.S. (relating to vehicles) and other laws on the  
24 highways of this Commonwealth.

25       (d) Definition.--For purposes of this section, "fund" means  
26 the Pennsylvania State Police Fund established under this  
27 section.

28       § 306. Motor License Fund Recovery Account.

29       The following shall apply:

30           (1) For the fiscal year beginning July 1, 2008,

1 \$255,000,000 shall be appropriated to the Motor License Fund  
2 Recovery Account in conjunction with the requirements of  
3 section 304 (relating to annual limitation on expenditure  
4 from Motor License Fund).

5 (2) For the fiscal year beginning July 1, 2009,  
6 \$510,000,000 shall be appropriated to the Motor License Fund  
7 Recovery Account in conjunction with the requirements of  
8 section 304.

9 (3) For the fiscal year beginning July 1, 2010, and each  
10 fiscal year thereafter, an amount equal to the amount  
11 deposited in the previous year plus a growth factor equal to  
12 the growth in the Motor License Fund for the previous fiscal  
13 year shall be appropriated to the Motor License Fund Recovery  
14 Account in conjunction with the requirements of section 304.

15 Section 2. Sections 1506, 1513(d) and 8121 of Title 74 are  
16 amended to read:

17 § 1506. Fund.

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

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

24 (1) The following apply:

25 (i) Except as provided under subparagraph (ii), upon  
26 receipt, the department shall deposit into the fund the  
27 revenues received by the department under 75 Pa.C.S. Ch.  
28 89 (relating to Pennsylvania Turnpike) [and the lease  
29 agreement executed between the department and the  
30 Pennsylvania Turnpike Commission under 75 Pa.C.S. §

1 8915.3 (relating to lease of Interstate 80; related  
2 agreements)] as follows:

3 (A) For fiscal year 2007-2008, \$250,000,000.

4 (B) For fiscal year 2008-2009, \$250,000,000.

5 (C) For fiscal year 2009-2010, \$250,000,000.

6 (D) For fiscal year 2010-2011 and each fiscal  
7 year thereafter, the amount calculated for the  
8 previous fiscal year, increased by 2.5%.

9 (ii) [The deposits made to the fund under this  
10 subsection shall equal \$250,000,000 annually for each  
11 fiscal year commencing after the expiration of the  
12 conversion period if the conversion notice is not  
13 received by the secretary prior to expiration of the  
14 conversion period as set forth under 75 Pa.C.S. §  
15 8915.3(3)] (Reserved).

16 (2) Upon receipt, the department shall deposit the  
17 amount made available to the department as an executive  
18 authorization and any appropriation for the 2007-2008 fiscal  
19 year and each fiscal year thereafter from the State Lottery  
20 Fund for fixed route transit and for the Free Transit Program  
21 for Senior Citizens established under the act of August 26,  
22 1971 (P.L.351, No.91), known as the State Lottery Law. The  
23 funds deposited under this paragraph shall only be used as  
24 permitted by the State Lottery Law, except that:

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

29 (ii) fares for senior citizens on commuter rail  
30 service shall be limited to \$1 per trip and shall be

1 extended to all hours of commuter rail service.

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

4 (1) 4.4% of the amount collected under Article II of the  
5 Tax Reform Code. Revenues under this paragraph shall be  
6 deposited into the fund by the 20th day of each month for the  
7 preceding month. The amount deposited under this paragraph is  
8 estimated to be equivalent to the money available to the  
9 department from the following sources:

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

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

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

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

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

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

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

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

30 (3) for all other purposes enumerated under this

1 chapter.

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

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

8 (i) All revenues deposited in the fund under  
9 subsection (b)(1).

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

12 (iii) 69.99% of the revenues deposited in the fund  
13 under subsection (c)(1).

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

16 (2) (i) Except as provided under subparagraph (ii), for  
17 the program established under section 1514 (relating to  
18 asset improvement program):

19 (A) By the proceeds of Commonwealth capital  
20 bonds deposited into the fund under subsection  
21 (c)(2).

22 (A.1) For fiscal year 2007-2008, \$50,000,000  
23 from the revenues received by the department under 75  
24 Pa.C.S. Ch. 89 [and the lease agreement executed  
25 between the department and the Pennsylvania Turnpike  
26 Commission under 75 Pa.C.S. § 8915.3]. The amount  
27 received by the department under this section shall  
28 be deposited into the fund prior to distribution and  
29 shall be in addition to the amounts received under  
30 subsection (b)(1).

1           (B) For fiscal year 2008-2009, \$100,000,000 from  
2 the revenues received by the department under 75  
3 Pa.C.S. Ch. 89 [and the lease agreement executed  
4 between the department and the Pennsylvania Turnpike  
5 Commission under 75 Pa.C.S. § 8915.3]. The amount  
6 received by the department under this section shall  
7 be deposited into the fund prior to distribution and  
8 shall be in addition to the amounts received under  
9 subsection (b)(1).

10           (C) For fiscal year 2009-2010, \$150,000,000 from  
11 the revenues received by the department under 75  
12 Pa.C.S. Ch. 89 [and the lease agreement executed  
13 between the department and the Pennsylvania Turnpike  
14 Commission under 75 Pa.C.S. § 8915.3]. The amount  
15 received by the department under this section shall  
16 be deposited into the fund prior to distribution and  
17 shall be in addition to the amounts received under  
18 subsection (b)(1).

19           (D) For fiscal year 2010-2011 and each fiscal  
20 year thereafter, the amount calculated for the prior  
21 fiscal year increased by 2.5% from the revenues  
22 received by the department under 75 Pa.C.S. Ch. 89  
23 [and the lease agreement executed between the  
24 department and the Pennsylvania Turnpike Commission  
25 under 75 Pa.C.S. § 8915.3]. The amount received by  
26 the department under this section shall be deposited  
27 into the fund prior to distribution and shall be in  
28 addition to the amounts received under subsection  
29 (b)(1).

30           (ii) [If the conversion notice is not received by

1 the secretary prior to the end of the conversion period  
2 as set forth in 75 Pa.C.S. § 8915.3(3), no additional  
3 allocation shall be made under subparagraph (i)]

4 (Reserved).

5 (3) For the program established under section 1516  
6 (relating to programs of Statewide significance), 13.24% of  
7 the revenues deposited in the fund under subsection (c)(1)  
8 shall be allocated from the fund.

9 (4) For the program established under section 1517  
10 (relating to capital improvements program), 16.77% of the  
11 revenues deposited in the fund under subsection (c)(1).  
12 Additional funds for this program may be provided from the  
13 funds allocated but not distributed based on the limitation  
14 set forth under section 1513(c)(3).

15 § 1513. Operating program.

16 \* \* \*

17 (d) Local match requirements.--

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

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

25 (ii) the amount required under former section  
26 1311(d) (relating to use of funds distributed) for fiscal  
27 year 2006-2007.

28 (1.1) For fiscal year 2008-2009 financial assistance  
29 provided under this section shall be matched by local or  
30 private cash funding in an amount not less than the greater

1 of the amount which was provided in the previous fiscal year  
2 or 15%. For fiscal year 2009-2010, and each year thereafter,  
3 financial assistance provided under this section shall be  
4 matched by local or private cash funding in an amount not  
5 less than the greater of the amount which was provided in the  
6 previous fiscal year or 18%.

7 (2) (i) Beginning in fiscal year 2007-2008 and [each  
8 fiscal year thereafter] as required under paragraph  
9 (1.1), if the local matching funds provided are less than  
10 [15% of the amount of financial assistance received,] the  
11 local transportation organization's required [local  
12 matching funds] amount, the local contribution shall  
13 increase annually in order to meet the [15%] greater of  
14 the requirement set forth under paragraph (1)(i) or  
15 (1.1). The local matching funds shall be increased  
16 annually by a minimum of 5% above the amount of local  
17 matching funds provided in the previous fiscal year  
18 unless a lesser amount is necessary to meet the [15%]  
19 requirement set forth under paragraph (1)(i)[.] or (1.1).

20 (ii) This paragraph shall expire on June 30, 2010.

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

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

4 (ii) Funds used to replace fares.

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

19 \* \* \*

20 § 8121. [(Reserved).] Turnpike operation modernization and  
21 improvement.

22 (a) Audit and review.--Within 90 days of the effective date  
23 of this section, the commission shall undertake an operational  
24 review and audit. The review shall be prepared by a private  
25 company not currently under contract with the commission which  
26 shall be selected by the commission with the approval of the  
27 Governor.

28 (b) Scope.--The scope of the review shall include all levels  
29 of operations, maintenance, safety enforcement, staffing,  
30 contracting, engineering and legal consultant utilization and

1 organizational structure. The review shall consider as peers  
2 other toll road and bridge agencies, the department, not-for-  
3 profit port facility operations and service-oriented private  
4 corporations with similar operational responsibilities.

5 (c) Report.--A copy of the final results of the review shall  
6 be prepared in the form of a report which shall be provided to  
7 the President pro tempore of the Senate and the Speaker of the  
8 House of Representatives and shall be made available to the  
9 public on the Pennsylvania Turnpike website.

10 (d) Response.--Immediately upon completion of the report,  
11 the commission shall:

12 (1) Develop a response and plan of implementation for  
13 operational improvements aimed at cost savings and cost  
14 containment.

15 (2) Calculate and verify the potential cash savings to  
16 be made available by the adoption of the report  
17 recommendations.

18 (3) Identify recommendations in the report which cannot  
19 be implemented by the commission, which shall be enumerated  
20 and explained in a public document made available on the  
21 Pennsylvania Turnpike website and provided to the President  
22 pro tempore of the Senate and the Speaker of the House of  
23 Representatives. Items which cannot be implemented due to any  
24 Federal or State law shall be provided separately and with  
25 citations to the prohibitive statute.

26 (e) Effect of operational improvement.--Upon implementation  
27 of the operational improvements outlined by the report, an  
28 additional annual transfer to the Commonwealth shall be required  
29 by the commission. The funds made available under this  
30 requirement shall be added to the scheduled annual commission

1 contribution.

2 Section 3. Sections 8915.1 and 8915.2 of Title 75 are  
3 repealed:

4 [§ 8915.1. Conversion of Interstate 80.

5 In order to facilitate vehicular traffic across this  
6 Commonwealth, the commission is authorized and empowered to do  
7 all of the following:

8 (1) Convert Interstate 80 to a toll road and maintain  
9 and operate it as a toll road.

10 (2) Construct, reconstruct, widen, expand, extend,  
11 maintain and operate Interstate 80 from a point at or near  
12 the Ohio border to a point at or near the New Jersey border,  
13 together with connecting roads, interchanges, slip ramps,  
14 tunnels and bridges.

15 (3) Issue turnpike revenue bonds, notes or other  
16 obligations, payable solely from revenues of the commission,  
17 including tolls, or from funds as may be available to the  
18 commission for that purpose, to pay the cost of constructing,  
19 reconstructing, widening, expanding or extending Interstate  
20 80 or any other costs of Interstate 80 and the Pennsylvania  
21 Turnpike.

22 (4) Provide quarterly reports and periodic updates  
23 regarding significant developments with respect to the  
24 conversion of Interstate 80 to the chairman and minority  
25 chairman of the Transportation Committee of the Senate and  
26 the chairman and minority chairman of the Transportation  
27 Committee of the House of Representatives. These reports  
28 shall include, at a minimum, the status of outstanding  
29 discussions with the United States Department of  
30 Transportation regarding Interstate 80, the location and

1 construction of tolling-related equipment for Interstate 80,  
2 planned capital improvements for Interstate 80 and other  
3 information important to implementation of this section.

4 § 8915.2. Application to United States Department of  
5 Transportation.

6 (a) Application.--The commission, in consultation with the  
7 department and at its own expense, is authorized to prepare and  
8 submit an application to the United States Department of  
9 Transportation for the conversion of Interstate 80 to a toll  
10 road. The secretary shall ensure that all information required  
11 for the application is made available to the commission as soon  
12 as practicable after the effective date of this section.

13 (b) Open system.--A toll system shall consist of what is  
14 commonly referred to as an open system with no more than ten  
15 toll collection points.

16 (c) Other agreements.--The commission and the department may  
17 enter into any other agreements as may be necessary to  
18 effectuate the execution of the application filed under this  
19 section.]

20 Section 4. Sections 8915.3 and 8915.6 of Title 75 are  
21 amended to read:

22 § 8915.3. Lease of Interstate 80; related agreements.

23 The department and the commission shall [enter into a lease  
24 agreement relating to Interstate 80 prior to October 15, 2007.  
25 The lease agreement shall include provisions setting forth the  
26 terms and conditions of the conversion of Interstate 80 to a  
27 toll road. The lease agreement and any related agreement, at a  
28 minimum, shall include the following:

29 (1) A provision that the term of the lease agreement  
30 shall be 50 years, unless extended upon mutual agreement of

1 the parties to the lease agreement and upon approval of the  
2 General Assembly.

3 (2) A provision establishing the conversion period and  
4 authorizing extension of the conversion period at the sole  
5 option of the commission for three one-year extension periods  
6 after consultation with the secretary. The commission shall  
7 notify the secretary of its intent to extend the conversion  
8 period not less than 90 days before the scheduled expiration  
9 of the conversion period. During the conversion period, all  
10 legal, financial and operational responsibility for  
11 Interstate 80 shall remain with the department. All  
12 operations and programmed rehabilitation shall be maintained  
13 at levels no less favorable than those set forth in the  
14 department's 12-year plan at the time of the execution of the  
15 lease, with modifications as are approved in writing by the  
16 chairman of the commission.

17 (3) A provision permitting the commission to exercise  
18 its option to convert Interstate 80 to a toll road prior to  
19 the expiration of the conversion period by providing the  
20 conversion notice to the secretary. Beginning on the  
21 conversion date, all legal, financial and operational  
22 responsibility for Interstate 80, as well as all toll  
23 revenues subsequently collected with respect to its use,  
24 shall automatically transfer to the commission. The  
25 secretary, within five business days after receiving the  
26 conversion notice, shall forward notice of the conversion  
27 date to the Legislative Reference Bureau for publication in  
28 the Pennsylvania Bulletin. Any revenues collected prior to  
29 the conversion date shall be retained by the department. The  
30 commission may contract with the department for any portion

1 of the maintenance of Interstate 80 at cost levels agreed to  
2 by the department and the commission.

3 (4) A provision requiring the commission to pay annual  
4 base payments to the department during the term of the lease  
5 agreement.

6 (5) A provision requiring the commission to pay annual  
7 additional payments to the department. The annual additional  
8 payments shall be payable in four equal installments on the  
9 last business day of each July, October, January and April of  
10 each year during the term of the lease agreement.

11 (6) A provision requiring the commission to pay,  
12 commencing in the fiscal year including the conversion date,  
13 annual surplus payments to the department. The annual surplus  
14 payments shall be payable by the commission within 30 days of  
15 receipt by the commission of the Auditor General's  
16 certificate.

17 (7) A provision stating that the obligation of the  
18 commission to pay the annual base payments, the annual  
19 additional payments and annual surplus payments shall be a  
20 subordinate obligation of the commission payable from amounts  
21 in the general reserve fund of the commission only as  
22 permitted by any financing documents, financial covenants,  
23 liquidity policies or agreements in effect at the  
24 commission.] negotiate the dissolution of the lease agreement  
25 entered into for the rights to operate Interstate 80 as a  
26 toll road.

27 § 8915.6. Deposit and distribution of funds.

28 (a) Deposits.--Upon receipt by the department, the following  
29 amounts from the scheduled annual commission contribution and  
30 the Motor License Fund Recovery Account shall be deposited in

1 the Motor License Fund:

2 (1) For fiscal year 2007-2008, \$450,000,000.

3 (2) For fiscal year 2008-2009, [\$500,000,000]  
4 \$510,000,000.

5 (3) For fiscal year 2009-2010, [\$500,000,000]  
6 \$510,000,000.

7 (4) For fiscal year 2010-2011 and each fiscal year  
8 thereafter, the amount [calculated for the previous year  
9 increased by 2.5%.] available from the Motor License Fund  
10 Recovery Account and any additional amount available from the  
11 scheduled annual commission contribution.

12 (b) Distribution.--The following shall apply:

13 (1) Annually, 15% of the amount deposited in any fiscal  
14 year under subsection (a) shall be distributed at the  
15 discretion of the secretary.

16 (2) Annually, \$5,000,000 of the amount deposited in any  
17 fiscal year under subsection (a) shall be distributed to  
18 counties.

19 (i) The distribution shall be in the ratio of:

20 (A) the square footage of deck area of a  
21 county's county-owned bridges; to

22 (B) the total square footage of deck area of  
23 county-owned bridges throughout this Commonwealth.

24 (ii) The amount of square footage under subparagraph  
25 (i) shall be that reported as part of the National Bridge  
26 Inspection Standards Program.

27 (3) Annually, \$30,000,000 of the amount deposited in any  
28 fiscal year under subsection (a) shall be distributed to  
29 municipalities pursuant to the act of June 1, 1956 (1955  
30 P.L.1944, No.655), referred to as the Liquid Fuels Tax

1 Municipal Allocation Law.

2 (4) Any funds deposited under subsection (a) but not  
3 distributed under paragraphs (1), (2) and (3) shall be  
4 distributed in accordance with needs-based formulas that are  
5 developed and subject to periodic revision based on  
6 consultation and collaboration among metropolitan planning  
7 organizations, rural planning organizations and the  
8 department.

9 (c) Definitions.--The following words and phrases when used  
10 in this section shall have the meanings given to them in this  
11 subsection unless the context clearly indicates otherwise:

12 "Metropolitan planning organization." The policy board of an  
13 organization created and designated to carry out the  
14 metropolitan transportation planning process.

15 "Rural planning organization." The organization of counties  
16 with populations of less than 50,000 created and designated as  
17 local development districts and which carry out the rural  
18 transportation planning process.

19 Section 5. Section 8915.7 of Title 75 is repealed:

20 [§ 8915.7. Impact on associated highways and local roads.

21 Prior to the conversion date and within one year following  
22 the conversion date, the commission, in collaboration with the  
23 department, shall conduct traffic studies to determine the  
24 average daily traffic on associated roads and highways. The  
25 purpose of these studies will be to quantify any diversion of  
26 traffic from Interstate 80 to other roadways as a result of the  
27 conversion. This section shall not require duplication of  
28 traffic studies undertaken by the commission as a part of the  
29 conversion process or undertaken by the department as a normal  
30 course of the department's operations.]

1 Section 6. Sections 8917 and 8918 of Title 75 are amended to  
2 read:

3 § 8917. Financial plan.

4 (a) Submission.--

5 (1) No later than June 1 of each year, the commission  
6 shall prepare and provide to the Secretary of the Budget a  
7 financial plan for the ensuing fiscal year of the commission  
8 that describes the commission's proposed:

9 (i) operating and capital expenditures;

10 (ii) borrowings;

11 (iii) liquidity and other financial management  
12 covenants and policies;

13 (iv) estimated toll rates; and

14 (v) all other revenues and expenditures.

15 (2) The financial plan shall demonstrate that the  
16 operation of the commission in accordance with the plan can  
17 reasonably be anticipated to result in the commission having  
18 unencumbered funds during the ensuing and future fiscal years  
19 of the commission sufficient to make the payments due to the  
20 department under this chapter and the lease agreement for the  
21 ensuing and future fiscal years after all other obligations  
22 of the commission have been met. Financial plans prepared  
23 after June 1, 2008, shall also describe any deviations that  
24 occurred from the financial plan for the prior fiscal year of  
25 the commission and the reasons for the deviations.

26 (b) Receipt.--If the Secretary of the Budget receives the  
27 financial plan by the date required under subsection (a), the  
28 commission shall be authorized to conduct its operations in  
29 accordance with the plan. The financial plan may not be amended  
30 by the commission unless the commission notifies the secretary

1 in writing of the amendment.

2 (c) Cooperation.--The commission shall provide to the  
3 Secretary of the Budget all information requested in connection  
4 with review of a financial plan, including materials used to  
5 prepare the plan. The information shall be provided as soon as  
6 practicable after the request.

7 (d) Effect of provisions.--Nothing in this section shall be  
8 deemed to prevent the commission from conducting its normal  
9 course of business or prevent the commission from complying with  
10 any covenants made to current bondholders, debt holders or  
11 creditors.

12 [(e) Lease agreement.--The provisions of this section and  
13 section 8918 (relating to failure to perform) shall be included  
14 in the lease agreement.]

15 § 8918. Failure to perform.

16 (a) Notice.--The Secretary of the Budget shall send written  
17 notice to the commission and to the Governor of the failure of  
18 the commission to do any of the following:

19 (1) Make a payment to the department under this chapter  
20 [or the lease agreement].

21 (2) Deliver a financial plan to the Secretary of the  
22 Budget within the time prescribed under section 8917  
23 (relating to financial plan).

24 (b) Unanimous vote required.--

25 (1) Except as provided under paragraph (1.1), upon the  
26 receipt by the commission of the notice under subsection (a)  
27 and notwithstanding any other provision of law, action of the  
28 commission taken by vote of the commissioners shall require a  
29 unanimous vote of all commissioners. Violation of this  
30 paragraph shall render the action invalid.

1           (1.1) A unanimous vote shall not be required if it would  
2 prevent the commission from complying with any covenants made  
3 to current bondholders, debt holders or creditors.

4           (2) The requirement of paragraph (1) shall continue  
5 until:

6           (i) the required payments have been made to the  
7 department or the required financial plan has been  
8 delivered; and

9           (ii) the Secretary of the Budget has notified the  
10 commission and the Governor of that fact.

11 Section 7. This act shall take effect immediately.