Senate Transportation Committee

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Bill Summary
Senate Bill 1 – Printer's Number 1026

Sponsor: Senator Rafferty

Summary:

Senate Bill 1, Printer's Number 1026, amends Titles 20 (Decedents, Estates and Fiduciaries), 74 (Transportation), and 75 (Vehicles) of the Pennsylvania Consolidated Statutes in order to generate additional revenue for Pennsylvania's transportation system.

Amendment to §8621 of Title 20

Provides for an increased donation by applicant's for driver's licenses and renewal registrations to the Governor Robert P. Casey Memorial Organ and Tissue Donation Fund. The current optional contribution is $1.00. The legislation would provide for a contribution of $3.00, although the contribution is still optional.

Amendment to §1503 of Title 74

In the definition of "Base Operating Allocation," provides that the allocation shall be based on the last fiscal year that a transit agency received financial assistance under the Operating Assistance program. Current law provides that the fiscal year 2005-06 operating allocation multiplied by 1.0506 shall be the base operating allocation.

In the definition of "capital expenditure," provides the department with the discretion to allow preventative maintenance expenses to be eligible to receive capital funding.

Amendment to §1506 of Title 74

In Subsection (b), provides for an incremental shift of $165,000,000 of the current $200,000,000 Turnpike Commission payment to the Motor License Fund (MLF) for highway and bridge uses to the Public Transportation Trust Fund (PTTF) for transit uses, beginning with fiscal year 2013-14.

Subsection (c) is amended by adding paragraph (4) to deposit revenue in the PTTF from the new $100 surcharge on violations under Title 75. It is further amended by adding paragraph (5) to deposit revenue in the PTTF from the increase to the Section 3111 fine under Title 75.

Subsection (e)(1)(i) is amended to provide for a decrease in Turnpike payments to the Operating Assistance program for transit agencies. Currently, the Operating Assistance program receives the entire $250,000,000 Turnpike payment for transit agencies. Beginning in fiscal year 2013-14, the payment to the operating assistance program would decrease to $162,000,000. By fiscal year 2017-18, the payment would decrease to $75,000,000.

Subsection (e)(1)(iii) addresses the sales and use tax deposited in the PTTF. Currently, 4.4% of collections are deposited in the PTTF. Of the 4.4% deposited in the PTTF, 69.99% is currently allocated for the Operating Assistance program. The legislation increases the amount of sales and use tax allocated for the Operating Assistance program to 86.76% of the 4.4% of collections deposited in the fund.

Subsection (e)(1)(v) is added to Title 74 and provides incrementally increasing percentages of "unprotected" fee revenue currently deposited in the MLF. The percentage of the fee revenue would increase from 10% in fiscal year 2013-14 to 77% in fiscal year 2017-18. Specifically, the fees that would generate this revenue are as follows:

- §1951 (c) (Identification card);
- §1952 (Certificate of title);
- §1953 (Recording or changing the amount of security interest on a title);
- §1955 (Information concerning vehicles and drivers);
- §1956 (Certified copies of records);
- §1958 (Certificate of inspection).

Subsection (e)(2), which relates to the Asset Improvement program (transit capital funding), is amended to delete language applicable to past fiscal years. It is further amended to provide that 95% of remaining Turnpike payment revenue, after the allocation of $30,000,000 to the new Multi-Modal Fund, shall be allocated to the Asset Improvement program.

Subsection (e)(2) is also amended to deposit revenue from the Section 3111 fine increase and the Title 75 fine surcharge to the Asset Improvement Program.

Subsection (e)(3) would direct all remaining revenue from the Turnpike payment to Programs of Statewide Significance.

Amendment to §1507 of Title 74

Subsection (a)(6) is amended to tighten requirements for transit agencies in submitting evidence of ability to meet local match requirements. Subparagraph (6.1) is added to require transit agencies to submit statements relative to fare growth in conjunction with the rate of inflation.

Subsection (c), which applies to waivers for use of funds provided by the department, is amended so that a waiver may not exceed the duration of a plan of corrective action put in place as part of department waiver.

Amendment to §1512 of Title 74

Provides for consolidation of transit agencies under subsection (b). The department shall conduct a consolidation study. If the study estimates that one or more transit agency would realize savings of at least $2,000,000 or 25% of the local match contribution, the transit agencies will be required to consolidate or have their local match increased.

The increased local match would apply to the match for the Operating Assistance program. The current match for operating is 15% of the financial assistance provided. If agencies would not consolidate after the identification of savings, they would be required to pay an operating match of 25% of the financial assistance provided. The legislation provides protection to a transit agency if that agency is the only agency willing to consolidate. In such a case, the willing agency would not be required to provide increased match.

Amendment to §1514 of Title 74

A new subsection (e.1) is added to establish a percentage-based distribution of capital funding. The distribution is as follows:

- SEPTA – 69.4%;
- Port Authority of Allegheny County – 22.6%;
- All other transit agencies – 8%;
- Distribution by Secretary of Transportation – 5%.

Amendment to §1516 of Title 74

Subsection (b)(1) is amended to expand the Shared Ride Program for Persons with Disabilities into Allegheny County.

Subsection (e) is amended to add a new paragraph (4), which provides for short-term demonstration projects to transition into public passenger transportation service and receive funding under the Operating Assistance program.

Amendment to §1517 of Title 74

This section is deleted in its entirety. Currently, this is the only state transit capital program other than capital budget funding. Current funding is provided through 16.77% of the sales and use tax deposited in the Public Transportation Trust Fund.

Addition of Chapter 21 of Title 74

This chapter establishes the Multimodal Transportation Fund to provide grant funding for rail freight, rail passenger service, aviation, ports and waterways, road and bridge projects, and bicycle and pedestrian projects. Sources of funding include $30,000,000 of the Turnpike payment for transit agencies, 23% of the Title 75 fees to be deposited in the Public Transportation Trust Fund, and, beginning in fiscal year 2015-16, $20,000,000 of Oil Company Franchise Tax revenue.

Section 2104 provides minimum distribution amounts as follows:

- $6,000,000 for aviation;
- $6,000,000 for rail freight;
- $4,000,000 for rail passenger service;
- $4,000,000 for ports and waterways.

Projects under this fund would require a local match equal to 30% of the non-federal share of the project cost.

Amendment to §8102 of Title 74

Provides for definitional changes to facilitate enforcement of non-payment on tolled facilities.

Amendment to §8105 of Title 74

Provides for a return to the pre-Act 44 term of office provisions for Turnpike Commissioners who have not been re-appointed or who have not been re-confirmed. Current law allows a Turnpike Commissioner to continue serving after the expiration of his/her term until such time as a successor is confirmed by the Senate. The legislation provides for a Commissioner to serve for a maximum of 90 days beyond the expiration of his/her term.

Commissioners would further be limited to serving no more than two terms.

Amendment to §8117 of Title 74

Section 8117 provides current authority for E-ZPass toll collection on the Turnpike. This section is substantially re-written to provide a means of collecting unpaid tolls. In the case of a vehicle owner who has failed to pay or defaulted in the payment of six or more toll payment violations or has incurred unpaid tolls and/or administrative fees of $500 or more, the legislation provides for suspension of registration.

Addition of Chapter 92 of Title 74

Provides for the traffic signal agility program between the department and municipalities .

This language provides for agreements between the department and municipalities for the upgrade and synchronization of signals in a designated traffic corridor. In return, the agreement may include requirements for the municipality to provide transportation-related services to the department. In cases where the department contends municipalities do not meet the requirements of such an agreement with the department, a procedure is put in place for resolution, ultimately culminating with arbitration if necessary. If a municipality still fails to meet its requirements under an agreement, the department is authorized to withhold liquid fuels funds.

Addition of Chapter 93 of Title 74

Provides for the "bridge bundling" program. The purpose of the program is to bundle state owned and/or locally owned bridges for the purposes of design and construction.

Local governments owning bridges that are included in the program, after having been identified as candidates by the department, shall be relieved of any local match requirement. If, however, a locally owned bridge is identified by the department and the local government refuses its inclusion in the program, that bridge will be subject to a local match of 30% of the non-federal share at such time as it would be constructed.

Amendment to §1307 of Title 75

Provides for two-year registration of vehicles.

Amendment to §§1353, 1354, 1355, and 1358 of Title 75

Provides for inflationary increases to the additional fees paid by registrants for the Preserve our Heritage, Zoological, and DARE registration plates. Deletes the Flagship Niagara commemorative registration plate, which has been discontinued.

Addition of §1380 of Title 75

Provides for registration suspension of vehicles for toll violations in other states that have entered into enforcement agreements with the Commonwealth.

Amendment to §1514 of Title 75

Provides for a six-year driver's license.

Amendment to §§1553 and 1534 of Title 75

Provides for inflationary increases to the fees for occupational limited licenses and probationary licenses.

Amendment to §1617 of Title 75

Provides for inflationary increases to the fees for commercial driver's licenses.

Amendment to §1786 of Title 75

Provides for the financial responsibility fine., which would provide individuals whose operating privilege and registration have been suspended due to failure to carry insurance the option to pay an additional fine of $500 in lieu of serving the suspension.

Amendment to §1904 of Title 75

Subsection (b) is added to re-direct the aforementioned "unprotected" fees currently deposited in the MLF to the PTTF.

Subsection (c) is added to provide for inflationary increases to the fees charged under Chapters 19 beginning on July 1, 2016, and on July 1 of every third year thereafter.

Amendment to Chapters 19 and 21 of Title 75

Provides for initial increases to the fees charged under Chapters 19 and 21. The increases are based on the rate of inflation since each fee was last increased. Increases for trucks and truck tractors under Section 1916 are phased in over a three-year period.

Amendment to §3111 of Title 75

Provides for an increase to the fine for Section 3111 (obedience to traffic-control devices). Section 3111 violations are non-point violations. There is currently no fine set in the Vehicle Code for these violations; thus the fine defaults to $25 in accordance with Section 6502 of Title 75. The legislation would establish a sliding scale fine of $100 to $300. Any revenue collected beyond $25 would be deposited in the PTTF, specifically for the Asset Improvement program. The base $25 fine would continue to be deposited in the MLF and the Judicial Computer System Augmentation Account as provided for in Section 3733 (a) of Title 42.

Amendment to §6506 of Title 75

Provides for the aforementioned surcharge of $100 on violations under the Vehicle Code.

Amendment to Chapter 77 of Title 75

Provides for inflationary increases to fees related to snowmobiles and ATVs since those fees were last increased.

Amendment to §8901 of Title 75

Provides for the termination of Act 44 payments after fiscal year 2020-21. **The Governor's proposal terminates**

Amendment to §8915.6 of Title 75

Provides for the incremental shift of current Act 44 payments to the MLF to the PTTF, beginning with a shift of $20,000,000 in fiscal year 2013-14 and increasing to a shift of $165,000,000 in fiscal year 2017-18. $35,000,000 of the Turnpike payment to the MLF would remain in effect and represents $30,000,000 earmarked for municipalities and $5,000,000 earmarked for county bridges under Act 44.

Amendment to § 9002 of Title 75

Amends the definition of "Average Wholesale Price," (AWP), which is used to calculate the rate of the Oil Company Franchise Tax (the rate is calculated by multiplying the AWP by the applicable millage rate for gasoline and diesel). The legislation provides for a three year phase-out of the current $1.25 AWP cap. The AWP would increase to $1.87 on July 1, 2013; $2.49 on January 1, 2014; and $3.11 on January 1, 2015 (3.11 is the true AWP per gallon of all taxable fuels applicable to 2013, as published in the *Pennsylvania Bulletin* in December 2012). Beginning in 2016, there would be no cap on the AWP, and the rate would be determined by the existing formula under the definition of AWP. The floor would be set at $2.49.

Amendment to §9004 of Title 75

Provides for a decrease in the rate of the liquid fuels and fuels tax in fiscal years 2013-14 and 2014-15. The current rate is 12 cents per gallon of gasoline and diesel. The rate would decrease to 11 cents in 2013-14 and 10 cents in 2014-15. The rate would then revert to 12 cents on July 1 2015.

Amendment to §9106 of Title 75

Provides for a $10,000,000 increase to the Dirt and Gravel Road Program through additional Oil Company Franchise Tax revenue. Currently, the program receives $5,000,000 from Oil Company Franchise Tax , with 80% appropriated to Conservation Districts and 20% appropriated to the Department of Conservation and Natural Resources. The additional $10,000,000 would be appropriated based on the existing 80%/20% split.

Amendment to §9502 of Title 75

In Subsection (a)(1), provides for the aforementioned transfer of $20,000,000 from the Oil Company Franchise Tax to the new Multi-Modal Fund.

The amendment of Subsection (a)(2)(i) and (ii) affects the distribution of 55 mills of the Oil Company Franchise Tax imposed under Act 26 of 1991. Specifically, the distribution to county maintenance districts is decreased from 42% to 29% of 55 mills in fiscal year 2013-14 and to 19% in fiscal years 2014-15 and each year thereafter. The allocation for highway construction is increased from 17% to 30% of 55 mills in fiscal year 2013-14 and to 40% in fiscal year 2014-15 and thereafter.

Subsection (3), which applies to 38.5 mills imposed under Act 3 of 1997, is amended to delete language applicable to past fiscal years and to reallocate the 88% of Act 3 millage currently restricted to maintenance and distributed under the Highway Maintenance formula. 12% of 38.5 mills currently allocated to municipalities is not affected.

Specifically, of the 88% currently distributed through the Highway Maintenance formula, 53% of 88% would continue to be distributed by that formula in fiscal year 2013-14, decreasing to 40% in fiscal year 2014-15 and thereafter. The remainder of the 88% would then be divided as follows:

- 35% for expanded highway and bridge maintenance in fiscal year 2013-14 and 48% in fiscal year 2014-15 and thereafter to be distributed as follows;
  - 15% of 35% distributed by the Secretary;
  - The remainder of 35% distributed under the Highway Maintenance formula.

Amendment to §9511 of Title 75

Provides for a reallocation of three mills of the Oil Company Franchise Tax under Act 32 of 1983. Currently, all three mills are dedicated to the Highway Turnback program, whereby municipalities that accept the turnback of state roads receive an annual maintenance payment of $4,000 per mile of road turned back. The reallocation preserves the current maintenance payment amount for roads that have been turned back to municipalities. The balance of the three mills is then deposited in the Highway Bridge Improvement Restricted Account for local bridges.

Effective Date: 60 days following enactment.