



# Senate Transportation Committee

## Senator Robert C. Wonderling

Chairman

*Craig R. Shuey, Executive Director*

281 Main Capitol Building, Harrisburg, PA 17120-3024

Phone: 717-787-3110 • FAX 717-787-8004 • [www.senatorwonderling.com](http://www.senatorwonderling.com)

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### Bill Summary

**Senate Bill 948**  
**Senator Wonderling**

**Referred: June 5 2009**  
**Printers Number 1133**

#### Brief Summary:

Senate Bill 948 amends Pa. C.S. title 74 (Transportation) and Pa. C.S. title 75 (Vehicles) making a variety of changes designed to improve the highway network of the Commonwealth by providing the changes summarized below:

- Capping the Motor License Fund contribution to the operational funding of the Pennsylvania State Police at the proposed current year amount of \$523,000,000 beginning in FY 2010-2011.
  - This cap can be estimated to capture an additional average of \$21,000,000 annually to responsibly finance a bond program to improve local bridges.
  - Funding out of the Motor License Fund for the State Police has grown at a rate that is 50 percent higher than that of the General fund and in real numbers by \$254,325,000 since 1997. (See Attachment #1)
- Implements the broad Public Private Partnerships (PPP or P3's) authorization that is contained also in Senate Bill 693 (Rafferty), and was passed by the Senate last session as Senate Bill 1158.
- Enhances Commonwealth revenues for transportation by implementing an increase in various fees for vehicle related services, most notably the passenger vehicle registration fee by \$12. *(more detailed explanation in the section breakout below)*
- Funds and implements two new innovative programs to improve the effectiveness of the transportation network.
  - A county and local bridge replacement program funded by the bonds available as a result of the cap on the Motor License Funds going to the State Police will be solicited to private partners that will seek to bundle similar designs into large efficient packages utilizing standard designs and seeking to minimize impacts to residents for the construction process.-(This program requires a new capital authorization bill for project eligibility, similar)

- A program to coordinate and modernize traffic signal systems with the goal of reducing congestion, minimizing traffic delays and maximizing existing transportation networks.
- Doubling the funds for the dirt and gravel road program from \$4 million to \$8 million annually to further that program's mission of improving the function and longevity of rural low volume highways and improving water quality.

## **Detailed Summary**

### **Pa. C.S. Title 74 (Transportation) amendments:**

#### New section 304 "Annual limitation on expenditure from Motor License Fund."

Senate Bill 948 amends Title 74 by creating a new section which establishes a cap on the contribution of funds from the Motor License Fund to the State Police beginning in Fiscal Year 2010-2011 at the current proposed rate of \$523,000,000.

#### New Chapter 91 Partnership and Development

Senate Bill 948 would allow Pennsylvania to join Virginia, Georgia, Florida, Texas, Indiana and 19 other states by authorizing the use of Public Private Partnerships (PPP or P3's) to begin to address capacity and maintenance shortfalls in our transportation network. The basic principle behind PPP's is to attract private capital or private management expertise, through toll revenues or other enticements, to specific transportation projects, aspects of maintenance, operations or other transportation services.

PPP's can be used in the case of an unfunded capacity improvement such as interstate express lanes by offering the opportunity to a private operator to fund the project with the promise of charging a toll for the expansion. This is just one of a host of PPP arrangements which other states and nations have used, ranging in degree from a franchise type agreement for a specific operations management task all the way to a payment for the lease of an existing public asset, as has been discussed for the Pennsylvania Turnpike.

#### Senate Bill 948 approaches PPP authorization as follows:

- The bill authorizes a transportation entity to enter into agreements with private enterprises for any portion of their operations or facilities with additional requirements for lease or sale agreements where state funded properties are involved.
- In the case of a lease/sale agreement involving state funded properties the approval of the State Transportation Commission is required.
- The Transportation Commission is authorized to solicit specific proposals and to receive and consider unsolicited proposals as well.
- The Commission is responsible for adopting regulations covering the review and adoption of solicited and unsolicited proposals.

- Authorized project activities include planning, design, development, construction, reconstruction, improvement, extension, expansion, operation, repair, maintenance, management, revenue collection or financing of a transportation facility.
- Prior approval is required from the governing body of an asset prior to any action taken by the Commonwealth to enter into a PPP agreement.
- The lease or sale of the Pennsylvania Turnpike shall be excluded from consideration without the passage of separate legislation enacted by the General Assembly.
- Funds derived in excess of those approved by the agreement or otherwise made available to the Commonwealth as a result of a PPP agreement shall be used exclusively for transportation purposes approved by the State Transportation Commission and shall not be diverted from this purpose for any reason.
- Notice of PPP projects shall be made to affected counties and municipalities.

#### Solicited Proposals:

The Commission and/or a regional mobility authority are authorized to seek private partners on specific projects through solicited proposals where the project shall be awarded on a best value basis to the successful bidder. Requests for Proposals issued under this concept shall be published in the Pennsylvania Bulletin or similar local media outlet and shall include the following information:

- The type and scope of information being requested from the respondent.
- The evaluation criteria being used to select the successful bidder
- The scope and location of the proposed project.
- Any other information deemed important for inclusion by the evaluating body (STC or local transportation authority).
- A clarification clause allowing for further negotiation and evaluation with the submitter of a proposal pursuant to the request.

#### Unsolicited Proposals:

- The Commission and/or a regional mobility authority are authorized to accept an unsolicited proposal submitted by a public or private entity.
- The State Transportation Commission and/or Approving Body shall adopt regulations governing the acceptance of unsolicited proposals.
- The maximum time for review of an unsolicited proposal by the Commission shall be 135 days for projects greater than \$50,000,000.
- Prior to the selection of a development partner in conjunction with an approved unsolicited proposal the STC must publish a request for and receive competing proposals in accordance with the solicited proposal criteria.
- Responses to RFP's for competing proposals must be returned within 60 days.

#### Other Proposal Provisions:

- Design Build development may be considered for any proposal made pursuant to this chapter and such agreements shall not be subject to the requirements of the Separations Act.
- Fees adequate to cover the costs of evaluating proposals submitted under this chapter may be imposed by the Approving body.
- Proprietary information provided in conjunction with a proposal under this chapter shall remain confidential only until a final agreement between the parties is entered into and thereafter made available to the public.
- The STC shall adopt regulations detailing the timing and requirements for review of solicited and unsolicited proposals with a high priority for a review time of less than 135 days, with limited exceptions.
- The STC and/or approving agencies shall be required to determine the value of a transportation project and shall use independent advisors to establish that value.

#### Transportation projects:

Factors for the review and selection of a transportation project selected under this chapter shall include the following considerations:

- Improving safety.
- Increasing transportation capacity (any mode).
- Reduce congestion (any mode).
- Promote economic growth.
- Compatibility with local land use plans.
- The project cost and financial plan.
- Qualifications, experience and safety record of the proposed developer.
- The design operation and feasibility of the project.
- Local input.
- Public benefit of the project.
- Other criteria deemed important to the approving body.

#### Agreement requirements:

The terms and conditions of transportation development agreements shall include the following:

- Fee setting and adjustment factors to be imposed upon transportation facility users (tolls and their rates).
- Term of the agreement (not to exceed 50 years).
- Timeline for start and completion of construction or improvement.
- Establishment that the public is the property owner and that developer is leasing the property for the agreed upon conditions.

- Proper maintenance of property required throughout the lease and upon termination of the lease.
- Liability assignments.
- Prevailing wage to apply.
- Material default procedures.
- Applications of user fees for transportation facilities is permitted where applicable state and federal laws allow.
- Fees shall be uniform based upon similar classes of vehicles and utilization.
- Congestion pricing is allowed.
- Debt obligations shall not be backed by a pledge of the credit of the Commonwealth.

Other Agreement Provisions:

- Eminent domain powers of the Commonwealth and local jurisdictions are retained by the governing agencies.
- Law enforcement and traffic enforcement laws are applicable.
- Developer is responsible for law enforcement costs.
- Fines and distribution of fines are reserved as covered by current law.
- Existing local taxes unaffected-new local taxation barred upon fees on developer revenues or user fees.
- Realty Transfer tax is not applicable to transportation projects.

Pennsylvania Transportation Development Trust Fund:

- The bill establishes a dedicated transportation trust fund for the deposit of any revenues generated for the Commonwealth as the result of agreements developed under this chapter.
- The Fund is administered by the State Transportation Commission for the purpose of financing transportation projects and is not subject to General Assembly approval.
- The fund consists of revenues derived from agreements under this chapter, excess earnings over the maximum rate of return, from the developer, surcharges or service fees or user fees which may be imposed or levied by the Commonwealth on passenger or commercial travel or any appropriations made by the General Assembly.

Turnpike Lease Restricted:

- Any transfer of oversight responsibilities by lease, sale or other agreement of the Pennsylvania Turnpike, its additions or lease properties, is restricted unless a separate act of the General Assembly is enacted.
- This section does not limit or restrict the Turnpike Commission or the Transportation Commission to consider and approve partnership agreements which do not require the transfer of operational oversight from the Turnpike Commission.

## County and local bridge replacement and rehabilitation program

This section creates a framework for the implementation of an innovative approach to bridge construction management by providing a bond financed program addressing county and municipally owned bridges in a way that seeks to maximize the opportunity for a private sector manager to develop a plan to identify, design and implement and construct a plan to accelerate the replacement of similar bridges using mass production of standard components.

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### **Pa. C.S. Title 75 (Vehicles) amendments:**

#### Chapter 19 Fees Amendments

The amendments to this section increase various fees charged to vehicle owners for registration, titling, driver records and other fees. The last time any of these fees were increased was in 1997 when most were increased by 50%. These fee increases are re

Below are listed the proposed fee increases:

- § 1901 Exemption for retired and receiving social security or other pension income limitation is increased from \$19,200 to \$23,500. (as Proposed by House Bill 864-Swanger)
- § 1912. Passenger cars Increased from \$36 to \$48
- § 1913. Motor homes Increase of \$18-\$30 varies by class
- § 1914. Motorcycles Increase from \$18 to \$24
- § 1915. Motor-driven cycles Increase from \$9 to \$18
- § 1916. Trucks and truck tractors
  - Class 1 (5000lbs or less) No Increase
  - Class 2-25 Increased by Flat \$30
- § 1917. Motor buses and limousines Increase of \$30
- § 1920. Trailers. Increase ranges from \$2-\$9 based on weight
- § 1921. Special mobile equipment Increased from \$36 to \$48 (+\$12)
- § 1922. Implements of husbandry Increased from \$75 to \$100 (+\$25)
- § 1923. Antique, classic and collectible vehicles Increased from \$75 to \$100 (+\$25)
- § 1924. Farm vehicles Increased from \$75 to \$100 (+\$25)
- § 1925. Ambulances, taxis and hearses. Increase from \$54 to \$72 (+\$18)
- § 1942. Special (single trip) hauling permits as to weight and size. Varies as follows:
  - Oversize vehicles up to 14 ft wide Increase from \$25 to \$34.
  - Oversize vehicles over 14 ft wide Increase from \$50 to \$67.
  - Overweight vehicles "up to" 5 cents per ton per mile up from a current 3 cents per ton-mile.

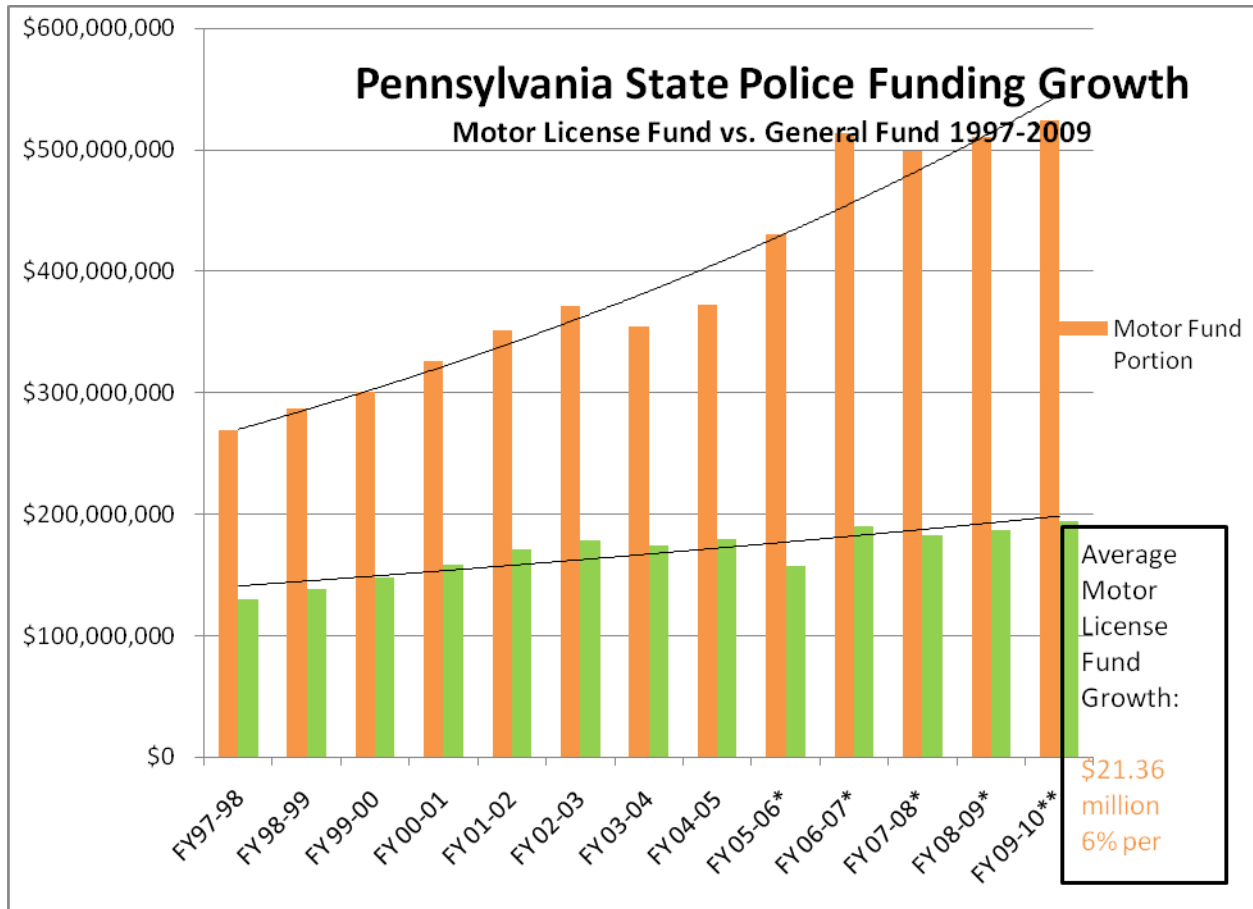
- § 1943. Annual hauling permits. Increased by 33% and deposited in the Highway Bridge Improvement Restricted Account.
- § 1952. Certificate of title Increased from \$22.50 to \$30.
- § 1955. Information concerning drivers and vehicles Increased from \$5 to \$7.50.
- Other lesser fees with in this section have been increased by approximately 1/3.

**Fee Increase Disposition:**

- New Section § 1962. Vehicle Owner Financed Transportation Improvement Account.
  - Establishes a new account within the Motor License Fund to improve highway transportation within the Commonwealth. Funded by \$150,000,000 from the fees generated under this Chapter and roughly equivalent to what will be generated by the increase proposed by this legislation. Funds the program established under Section 6122.1. "Traffic signal coordination and modernization program."
- § 6122.1. Traffic signal coordination and modernization program.
  - Establishes a program within law seeking to maintain optimum traffic movements through the application of advanced traffic management technologies designed to achieve any of the following: manage congestion, maximize existing roadway infrastructure, improve safety, reduce incident management-related traffic delays, reduce construction-related and reconstruction-related traffic delays and improve traveler information systems.
  - Priorities for funding a shall be provided to projects where agreements linking critical traffic corridors across multiple municipalities and those which have the highest potential to significantly reduce travel times during peak periods.
  - The Department may undertake this project as a Public Private Partnership.
  - The Department shall provide regulations establishing this project and its procedures within 6 Months.
- § 9106. Dirt and gravel road maintenance Increased from \$4,000,000 annually to \$8,000,000 annually

**Effective Date:** Immediate

Attachment # 1

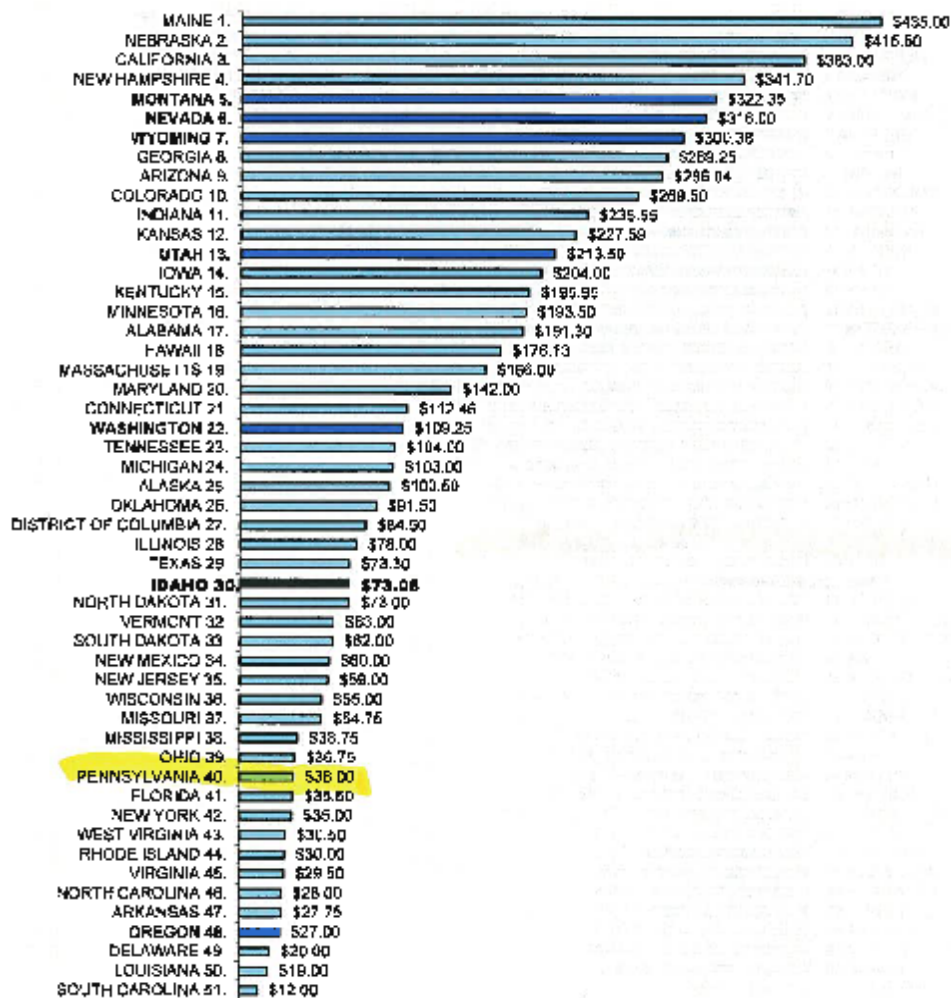




## Attachment #2

(from a 2007 Idaho DOT study using a 2005 Toyota Camry as a base vehicle)

**Total Registration Costs  
State-by-State Comparison\***



\*The data used in this chart is based on registration costs in each of the 50 states and the District of Columbia and was gathered from the Stephens-Peck Title Book, individual state motor vehicle websites and by directly contacting state motor vehicle offices.  
Adjoining States.