



ACT 89 OF 2013
(HOUSE BILL 1060; PN 2697)

Section 1: Organization (Effective Date: Immediately)

The **Secretary of Department of Transportation** will appoint five Deputy Secretaries:

1. Administration
2. Driver & Vehicle Services
3. Highway Administration*
4. Multimodal Transportation*
5. Planning*

*These deputies oversee core municipal functions such as: land acquisitions and maintenance related to highways & bridges, local & public transportation roles, and services to municipalities.

Section 6: PA Turnpike / Mass Transit (January 1, 2014)

Sunset PA Turnpike's \$450 million annual obligation to PennDOT over 8 years. Thereafter, the PA turnpike obligation is capped at \$50 million annually.

Section 8: Transit Agency Coordination/Consolidation (Immediately)

Act provides for the cooperation, coordination and consolidation of area transit authorities/agencies. Funding for consolidation incentives and mutual cooperation agreements is discretionary for PennDOT.

Section 9: Assest Improvement Program [transit] (Immediately)

Act amends the current AIP program allowing greater discretion by PennDOT to waive up to 75% of the local match for projects and local agencies listed on the 4 & 12 year capital plans under the program. Program stipulates primary distribution to Philadelphia and Pittsburgh transit agencies, followed by other agencies. A set aside of 5% however is maintained by PennDOT with discretionary authority.

Section 12: Multimodal Fund (Immediately)

The Act creates new chapter in Title 74 establishing the Multimodal Transportation Fund which shall award competitive grants for projects related to: transit oriented development, streetscaping, lighting, sidewalk and pedestrian safety improvements. The fund provides resources for projects and programs related to aviation, rail freight, passenger rail, ports/waterways, and bicycle and pedestrian facilities. Fund ramps up to \$144 million by 2017.

Section 18: Traffic Signals, Bridge Bundling, Public Utility Facilities, and Steel Painting (Immediately)

The Act creates several new chapters (92, 93, 95, and 96) in **Title 74**.

Chapter 92 provides for the establishment of a *traffic signal* agility program between PennDOT and municipalities. The program provides for agreements for the upgrade and synchronization of signals in designated traffic corridors. Agreements in turn may commit participants to provide transportation related services to PennDOT. The department will identify critical corridors and shall prioritize signalization where it will best serve to reduce congestion. Projects will be included in the 12-year TIP cycle. Grants begin at \$10 million in 2014, \$25 million in 2015 and \$40 million for 2016.

Chapter 93 establishes the PennDOT *Bridge bundling* program wherein the department is authorized to bundle state owned and/or locally owned bridges for the purposes of cost-efficient design and construction. Municipalities 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. However, should the local government refuse inclusion in the program it shall be subject to a 30% local match of its non-federal share at the time of construction.

Chapter 95 establishes a general rule for PennDOT's responsibilities regarding Public Utilities under Title 66 (Public Utilities) as well as affirming through declaration of policy proper reimbursements.

Chapter 96 addresses the prequalification of bidders, procurement and suspension of debarment regarding painting contractors on Commonwealth projects.

Section 24: Vehicle Registration, Driver's Licensing and Other Title 75 fees (April 1, 2014)

Most Title 75 fees are increased to the rate of inflation with the exception of passenger vehicles, Driver's licenses, light trailers, light trucks, heavy trucks, motor coaches, limousines, school buses, motorcycles, learner's permits, and antique cars are not increased immediately but are allowed to increase with the Consumer Price Index for All Urban Consumers on July 1, 2015.

Section 25: Fee for Local Use Fund (January 1, 2015)

Establishes the *Fee for Local Use* Fund which provides funds from a \$ 5 fee for each vehicle registered in its respective county. PennDOT will collect the fee at the time of registration, and the full amount is then remitted back to the county that assessed the fee. The money generated may be spent by the county in any way the Liquid Fuels money can be expended. The fee is to be levied by ordinance, and the earliest it can go into effect is January 1, 2015. Estimated aggregated annual revenues range up to \$57 million.

Section 26: Miscellaneous Motor License Fund Increases (January 1, 2015)

Inflationary adjustments made to various fees that PennDOT assesses including license plates, overweight/oversized hauling permits, occupational limited licenses, CDL's and probationary licenses.

Section 31: Fines assessed under Title 75 Sec 3111 [Traffic Control Devices] (January 1, 2014)

Establishes a flat \$150 fine, an increase of \$125; all but the first \$25 of each fine is dedicated to mass transit. There are no additional fines or any surcharges paid for conviction under this section. The change is estimated to generate \$40 million annually.

Section 35.2: Surcharge on Traffic Tickets (January 1, 2014)

The language increases all Title 75, Section 6506(a) (1) through (a) (7) surcharges by 50%. The surcharges on 6506 (a) (1) are increased from \$30 to \$45 so that the General Fund continues to receive the same amount of revenue. The surcharges on 6506 (a) (2) thru (7) are increased by 50% and all revenues are redirected from the General Fund to the Public Transportation Trust Fund for mass transit.

Section 40: Uncap Oil Company Franchise Tax (OCFT) through definition (Immediately)

The Act incrementally eliminates the cap on the average wholesale price on gasoline and diesel subject to the OCFT. The cap on the average wholesale price would be increased to \$1.87 on January 1, 2014, to \$2.49 on January 1, 2015 and then be fully eliminated on January 1, 2017. The cap on the average wholesale price of a gallon of gas has been \$1.25 since 1983. The current market wholesale price of a gallon of gasoline is over \$3. The Act lifts the cap incrementally through January 1, 2017, when it would be eliminated. At that point, a price floor of \$2.99 is established in the law on January 1, 2017.

Section 40.1: Removal of Liquid Fuels and Fuels Tax (January 1, 2014)

The Act eliminates the permanent state tax of 12 cents per gallon.

Section 40.5: Prevailing Wage Application to Locally Funded Highway & Bridge Projects (January 1, 2014)

The Act establishes an elevated threshold amount (\$100,000) for locally funded transportation projects only. This does not include any other municipal projects as the scope is limited to “locally funded highway and bridge projects” which qualify as public work. The Act further defines “locally funded” to specify which municipal revenue sources, when expended, are authorized funds for highway & bridge projects. Changes apply to contracts entered into on or after January 1, 2014.

Section 41: Dirt, Gravel & Low-Volume Roads, Supplemental Municipal Maintenance (July 1, 2014)

The Act amends several sections of **Title 75** regarding municipal maintenance funding:

The Dirt & Gravel Road program to include low-volume local roads (500 or less ADT) and provides a \$30 million increase. This increase from the OCFT provides DCNR \$7 million for dust and sediment mitigation on parks and forestry roads. Additionally, \$28 million will be appropriated annually to the State Conservation Commission for maintenance and improvement of dirt, gravel and low-volume state and municipal roads. Of this \$28 million, a minimum must be appropriated specifically for maintenance and improvement of low-volume roads.

An amendment to the existing Liquid Fuels Tax (LFT) Municipal Allocation Law provides an additional \$35 million to be distributed according to the allocation formula on July 1, 2014. Of this \$35 million, \$5 million will be provided to counties annually for bridges. The remaining \$30 million shall be driven out to municipalities pursuant to the LFT municipal allocation law.

Section 42: State Highway Transfer Restoration Restricted Account and Local Bridges (January 1, 2014)

The language develops the funding mechanism for the restricted account itself. Designates \$27 million for fiscal years 2013-2017 and then implements a millage for years following 2017 and beyond. The section further allocates funds for the traffic signal program and provides for the program details. Finally the section authorizes multi-municipal improvements through departmental MOU's.

INFORMATION DEEMED ACCURATE AND RELIABLE.