

No. 229

AN ACT

To facilitate vehicular traffic across the Commonwealth by providing for the construction, operation and maintenance of a turnpike from a point at or near the City of Erie in Erie County, thence in a general southerly direction to connect with the Pennsylvania Turnpike System, at such point as the Pennsylvania Turnpike Commission may decide is most feasible and practicable, including a lateral extension eastward from such point as the Commission may decide is most feasible and practicable to the boundary line between the Commonwealth of Pennsylvania and the State of New York, and a lateral extension westward from such point as the Commission may decide is most feasible and practicable to a point on the boundary line between the Commonwealth of Pennsylvania and the State of Ohio, and conferring powers and imposing duties on the Pennsylvania Turnpike Commission; authorizing the issuance of turnpike revenue bonds, notes or other obligations of the Commonwealth, payable solely from revenues of the Commission, including tolls, or from such funds as may be available to the Commission for that purpose, to pay the cost of such turnpike; providing that no debt of the Commonwealth shall be *incurred in the exercise of any of the powers granted by this act; providing for the collection of tolls for the payment of such bonds, notes or other obligations, and for the cost of maintenance, operation and repair of the turnpike; making such turnpike bonds, notes or other obligations exempt from taxation; constituting the same legal investments in certain instances; requiring suits against the Commission to be brought in Dauphin County; prescribing conditions on which such turnpike shall become free; providing for grade separations, grade changes, relocations, restorations and vacation of public roads and State highways affected by the turnpike; providing for the purchasing or condemnation of land and procedure for determining damages in condemnation; granting certain powers and authority to municipal subdivisions and agencies of the Commonwealth to cooperate with the Commission; and authorizing the issuance of turnpike revenue refunding bonds.

"Pennsylvania Turnpike Northwestern Extension Act."

Short title.

Commission empowered to construct, etc., turnpike extension from a point at or near Erie, Erie County, thence in a general southerly direction to connect with Pennsylvania Turnpike system, including a lateral extension eastward to New York boundary line, and a lateral extension westward to Ohio boundary line.

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

Section 1. This act shall be known and may be cited as the "Pennsylvania Turnpike Northwestern Extension Act."

Section 2. In order to facilitate vehicular traffic in the western and northwestern sections of the Commonwealth, the Pennsylvania Turnpike Commission heretofore created by virtue of the provisions of the act, approved the twenty-first day of May, one thousand nine hundred thirty-seven (Pamphlet Laws 774), and the supplements and amendments thereto, is hereby authorized and empowered to construct, operate and maintain a turnpike, at such location as shall be approved by the Governor and the Department of Highways, from a point at or near the City of Erie in Erie County, thence in a general southerly direction to connect with the Penn-

* "incurred" in original.

sylvania Turnpike System at such point as the Pennsylvania Turnpike Commission may decide is most feasible and practicable, including a lateral extension eastward from such point as the Commission may decide is most feasible and practicable to the boundary line between the Commonwealth of Pennsylvania and the State of New York, and a lateral extension westward from such point as the Commission may decide is most feasible and practicable to a point on the boundary line between the Commonwealth of Pennsylvania and the State of Ohio, together with connecting roads, tunnels and bridges; and further, to issue turnpike revenue bonds of the Commonwealth, notes or other obligations, payable solely from revenues of the Commission, including tolls, or from such funds as may be available to the Commission for that purpose, to pay the cost of any and all construction.

Issuance of turnpike revenue bonds, notes or other obligations to pay cost of construction authorized.

Section 3. The turnpike revenue bonds, notes or other obligations issued under the provisions of this act shall not be deemed to be a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth, but such bonds, notes or other obligations shall be payable solely from revenues of the Commission, including tolls, or from such funds as may be available to the Commission for that purpose. All such bonds, notes or other obligations shall contain a statement on their face that the Commonwealth is not obligated to pay the same or the interest thereon except from revenues of the Commission, including tolls, or from such funds as may be available to the Commission for that purpose, and that the faith and credit of the Commonwealth is not pledged to the payment of the principal or interest of such bonds, notes or other obligations. The issuance of turnpike revenue bonds, notes or other obligations under the provisions of this act shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation whatever *therefor or to make any appropriation for their payment.

Commonwealth not to be obligated in any way for such bonds, notes or other obligations.

Section 4. The following words and terms shall have the following meanings:

Definitions.

(a) The word "Commission" shall mean the Pennsylvania Turnpike Commission heretofore created by the act, approved the twenty-first day of May, one thousand nine hundred and thirty-seven (Pamphlet Laws 774), or if said Commission shall be abolished, any board, commission or officer succeeding to the principal functions thereof or upon whom the power and functions given by this act to said Commission shall be given by law.

"Commission."

(b) The word "owner" shall include all individuals, copartnerships, associations or corporations having any

"owner."

* "therefore" in original.

title or interest in any property rights, easements or franchises authorized to be acquired by this act.

"the turnpike."

(c) The words "the turnpike" shall mean the turnpike to be constructed, as hereinafter provided, from a point at or near the City of Erie in Erie County, thence in a general southerly direction to connect with the Pennsylvania Turnpike System, at such point as the Pennsylvania Turnpike Commission may decide is most feasible and practicable, including a lateral extension eastward from such point as the Commission may decide is most feasible and practicable to the boundary line between the Commonwealth of Pennsylvania and the State of New York, and a lateral extension westward from such point as the Commission may decide is most feasible and practicable to a point on the boundary line between the Commonwealth of Pennsylvania and the State of Ohio, and may be constructed as a whole at one time or in sections from time to time, as the Commission shall determine, and shall be deemed to include not only the turnpike and all connecting roads, tunnels and bridges connected therewith, but also all property rights, easements and franchises relating thereto and deemed necessary or convenient for the construction or the operation thereof.

"cost of the turnpike."

(d) The term "cost of the turnpike" shall embrace the cost of constructing the turnpike and all connecting roads, tunnels and bridges, the cost of all lands, property rights, rights-of-way, easements and franchises acquired, which are deemed necessary or convenient for such construction, the cost of all machinery and equipment, financing charges, interest prior to and during construction and for one year after completion of construction, cost of traffic estimates and of engineering and legal expenses, plans, specifications, surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative and legal expense, and such other expenses as may be necessary or incident to the financing herein authorized, the construction of the turnpike and connecting roads, tunnels and bridges, the placing of the same in operation, and the condemnation of property necessary for such construction and operation. Any obligation or expense contracted for by the Commission with the Department of Highways of the Commonwealth of Pennsylvania, or with the United States or any agency thereof, for traffic surveys, preparation of plans and specifications, supervision of construction, and other engineering, administrative and legal services and expenses in connection with the construction of the turnpike or any of the connecting roads, tunnels and bridges, shall be regarded as a part of the cost of the turnpike,

and shall be reimbursed or paid out of the proceeds of the turnpike revenue bonds, notes or other obligations hereinafter authorized. Payment of any notes or other obligations shall be considered payment of the cost of the turnpike, provided such notes or other obligations were issued for such purpose.

Section 5. The exercise *by the Commission of the powers conferred by this act in the construction, operation and maintenance of the turnpike shall be deemed and held to be an essential governmental function of the Commonwealth.

Commission deemed to perform essential governmental function.

Section 6. The Commission shall have the following powers and duties:

Powers and duties of Commission.

(a) It shall maintain a principal office at such place as shall be designated by the Commission.

(b) The Commission may contract and be contracted with in its own name.

(c) The Commission may sue and be sued in its own name, plead and be impleaded: Provided, however, That any and all actions at law or in equity against the Commission shall be brought only in the proper courts at the County of Dauphin.

(d) The Commission shall have an official seal.

(e) The Commission shall make necessary rules and regulations for its own government, and shall have power and authority to acquire, own, use, hire, lease, operate, and dispose of, personal property, real property and interests in real property, and to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this act, and to employ engineering, traffic, architectural and construction experts and inspectors, and attorneys, and such other employes as may in its judgment be necessary, and fix their compensation: Provided, however, That all contracts and agreements relating to the construction of the turnpike and connecting roads, tunnels and bridges shall be approved by the Department of Highways, and the turnpike and connecting roads, tunnels and bridges shall be constructed under the supervision of the Department of Highways.

(f) The turnpike when completed and opened to traffic shall be maintained and repaired by and under the control of the Commission through the Department of Highways of the Commonwealth, and all charges and costs for such maintenance and repairs actually expended by said Department of Highways shall be paid to it by the Commission, upon certification thereof, out of tolls. Such turnpike shall also be policed and operated by such force of police, tolltakers and other operating employes as the Commission may, in its discretion, employ.

* "of" in original.

(g) The Commission shall have authority, at its own cost, to provide grade separations with respect to all public roads and State highways intersected by the turnpike and to change and adjust the lines and grades thereof so as to accommodate the same to the design of such grade separation: Provided, however, That the damages incurred in changing and adjusting the lines and grades of such public roads and State highways shall be ascertained and paid by the Commission in the same manner as is provided for by this act in regard to the location and construction of the turnpike.

(h) If the Commission shall find it necessary to provide a grade separation or change the site of any portion of any State highway or public road, or vacate the same, it shall cause it to be reconstructed and restored forthwith, at the Commission's own proper expense, on the most favorable location and in as satisfactory a manner as the original road, or vacate it, as the case may be: Provided, That the method of acquiring the right-of-way and determining damages incurred in changing the location of or vacating such road or State highway shall be ascertained and paid for by the Commission in the same manner as is provided for by this act in regard to the location and construction of the turnpike. In such cases, the plan of such reconstruction and restoration or vacation shall be submitted to the supervisors of the proper township for approval, and in the event of failure of the supervisors to approve the plan, then it shall be submitted to the Department of Highways for final approval. In the case of State highways, the plan shall be submitted to the Department of Highways for its approval.

(i) The Commission shall also have authority to petition the court of quarter sessions of the county wherein is situate any public road or part thereof affected by the location therein of the turnpike, for the vacation, relocation, or supply of the same, or any part thereof, with the same force and effect as is now given by existing laws to the inhabitants of any township of such county, and the proceedings upon such petition, whether it be for the appointment of viewers or otherwise, shall be the same as provided by existing law for similar proceedings upon such petitions.

(j) The Commission shall otherwise have all of the powers and perform all of the duties prescribed by the act, approved the twenty-first day of May, one thousand nine hundred and thirty-seven (Pamphlet Laws 774), and any *supplements or amendments thereto.

(k) Adequate compensation shall be made by the Commission out of funds provided under the authority

* "supplements" in original.

of this act for damages to all public or private property taken, injured or destroyed in carrying out the powers granted by this act, or such property may be restored or repaired and placed in its original condition as nearly as practicable, as the Commission may deem it expedient in any particular case.

Section 7. (a) Each member of the Commission shall be reimbursed for the necessary expenses incurred in the performance of the duties performed under the provisions of this act.

Members of Commission to be reimbursed for expenses.

(b) All expenses incurred in carrying out the provisions of this act shall be paid solely from funds provided under the authority of this act, and sufficient funds shall be provided under the authority of this act to meet any liability or obligation incurred in carrying out the provisions of this act.

Expenses to be paid only from funds provided hereunder.

(c) Before the issuance of any turnpike revenue bonds, notes or other obligations under the provisions of this act, each appointed member of the Commission shall execute a bond in the penalty of twenty-five thousand dollars (\$25,000), and the secretary and treasurer shall execute a bond in the penalty of fifty thousand dollars (\$50,000), each such bond to be approved by the Governor and to be conditioned upon the faithful performance of the duties of his office under the provisions of this act, which bonds shall be filed in the office of the Secretary of the Commonwealth: Provided, however, That if the turnpike, as defined in this act, shall be designated by the Commission as part of the Pennsylvania Turnpike System, as provided in the act, approved the fourteenth day of August, one thousand nine hundred and fifty-one (Pamphlet Laws 1232), the bonds provided for under this section shall no longer be required, and if previously delivered may be cancelled.

Members of Commission to be bonded.

Proviso.

Section 8. (a) The Commission is hereby authorized and empowered to condemn, by resolution, any lands, *interests in lands, property rights, rights-of-way, franchises, easements and other property deemed necessary or convenient for the construction and efficient operation of the turnpike or necessary in the restoration or relocation of public or private property damaged or destroyed, and the date of such resolution shall be the effective date of condemnation.

Commission empowered to condemn property.

(b) The Commission is hereby authorized and empowered to acquire by purchase, whenever it shall deem such purchase expedient, any lands, interests in lands, property rights, rights-of-way, franchises, easements and other property deemed necessary or convenient for the construction and efficient operation of the turnpike or necessary in the restoration or relocation of public or

Commission empowered to acquire property by agreement with owner.

* "Interest" in original.

private property damaged or destroyed, whether the same had theretofore been condemned or otherwise, upon such terms and at such price as may be considered by it to be reasonable and can be agreed upon between the Commission and the owner thereof, and to take title thereto in the name of the Commission.

Procedure where damages cannot be agreed upon.

Application to court for appointment of viewers.

Appointment of viewers by court.

Viewers to give notice of meeting.

Report of viewers.

Section 9. (a) Whenever a reasonable sum representing the damages cannot be agreed upon, or whenever the owner is legally incapacitated, or unable to convey valid title, or is absent, or unknown, either the Commission acting through the Department of Justice, or any owner or owners, shall apply to the court of common pleas of the county in which the property is located, or, in the case of property located in two or more counties, then in any one of such counties, for the appointment of viewers to determine, as hereinafter provided, the amount of damages resulting from the taking. Whereupon, said court or any law judge thereof shall appoint three (3) *disinterested freeholders to view such property and estimate the value thereof. None of the freeholders shall be a resident of the county wherein such application shall be made. The court shall fix a time, not less than twenty (20) nor more than thirty (30) days thereafter, when the viewers shall meet upon the property and view the same. The viewers shall cause at least ten (10) days' personal notice of the time and place of such meeting to be given to the Attorney General, to the Commission, and to the owner or owners if resident within said county. If the owner is a corporation, such notice shall be given to the president, secretary or treasurer thereof, if such officer resides within said county. If neither owner nor any of such officers reside within the county or cannot be found therein, or is unknown, notice of such first meeting shall be given as the court may direct. The viewers having been duly sworn or affirmed faithfully and impartially to perform the duties required of them under the provisions of this act, shall, at the time fixed for the first meeting, proceed to ascertain, as accurately as may be, the value of such land, property rights, rights-of-way, easements or franchises, and to that end may require the attendance of any person whose testimony may be pertinent thereto and production of any such books or papers as the viewers may deem necessary. If any person shall refuse to appear and testify before such viewers or refuse to produce such books and papers when they are required, then the court or any judge thereof shall, on application of the viewers or a quorum thereof, make such order therein as may be necessary. Whenever the viewers shall have ascertained the value of the lands, property rights, rights-of-

* "disinterested" in original.

way, easements or franchises, they shall prepare a full report of their labors. Upon the completion of the report, the viewers shall fix a time when they shall meet and exhibit same. Ten (10) days' written notice of the time and place of such meeting, together with a copy of said report, shall be given to the Commission, to the Attorney General, and to the owner or owners of the property condemned. At the time and place mentioned in such notice, the viewers shall meet and publicly exhibit the report and hear all exceptions thereto. After making any changes in such report as they may deem necessary, the same shall be filed in the court. Within thirty (30) days after the filing of the report in the court, the Commission, acting through the Department of Justice, or any person interested, may file exceptions thereto. Whereupon, the court shall either confirm the report absolutely or modify it, or refer it back to the same or to any viewers, with like powers and duties of the former viewers. Within thirty (30) days after the final action on the report by the court, the Commission, acting through the Department of Justice, or any person interested, may demand a trial by jury. From the action of the court on exceptions, or from any judgment after a jury trial, an appeal may be taken by any party to the Supreme or Superior Court. Each of the viewers shall receive a sum not exceeding ten dollars (\$10) for each day actually and necessarily employed in the performance of the duties herein prescribed, and all necessary expenses actually incurred in the performance of his duties. Title to any property condemned by the Commission shall be taken in the name of the Commission. Prior to physical entry upon the land, the Commission shall be under no obligation to accept and pay for any property condemned or any costs incidental to any condemnation proceedings: Provided, however, That in any condemnation proceedings, the court having jurisdiction of the suit, action or proceeding may make such orders as may be just to the Commission and to the owners of the property to be condemned, and may require an undertaking or other security to secure such owners against any loss or damage by *reason of the failure of the Commission to enter upon, accept and pay for the property, but neither such undertaking or security nor any act or obligation of the Commission shall impose any liability upon the Commonwealth except such as may be paid from the funds provided under the authority of this act.

Report to be filed in court.

Exceptions to report.

Judicial action upon report of viewers.

Right to jury trial.

Appeal.

Compensation of viewers.

The Commission, in its discretion, may vacate any portion or all of the land condemned either prior to or after physical entry upon the land or any part thereof

Commission may vacate land condemned either before or after physical entry upon land.

* "reasons" in original.

and prior to final determination of damages. In such cases, the Commission shall be under no obligation to accept and pay for any property condemned and subsequently vacated: Provided, however, That in any such case, the court having jurisdiction of the suit, action or proceeding may make such orders as may be just to the Commission and to the owners of the property, and may require an undertaking or other security to secure such owners against any and all loss or damages occasioned to the owner from the time of the original condemnation to the time of the modification thereof, but neither such undertaking or security nor any act or obligation of the Commission shall impose any liability upon the Commonwealth except such as may be paid from the funds provided under the authority of this act.

Proviso.

Commission privileged to trespass for certain purposes.

(b) In addition to the foregoing powers, the Commission and its authorized agents and employes may enter upon any lands, waters and premises in the State for the purpose of making surveys, soundings, drillings and examinations, as it may deem necessary or convenient for the purpose of this act, and such entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings which may be then pending: Provided, however, That the Commission shall make reimbursement for any actual damages resulting to such lands, waters and premises as a result of such activities.

Proviso.

Political subdivisions empowered to lease or convey real estate for use by Commission.

(c) All counties, cities, boroughs, townships and other political subdivisions and municipalities, and all public agencies and commissions of the Commonwealth of Pennsylvania, notwithstanding any contrary *provision of law, are hereby authorized and empowered to lease, lend, grant or convey to the Commission upon its request, upon such terms and conditions as the proper authorities of such counties, cities, boroughs, townships, other political subdivisions and municipalities, or public agencies and commissions of the Commonwealth of Pennsylvania may deem reasonable and fair, and without the necessity for any advertisement, order of court or other action or formality, other than the regular and formal action of the authorities concerned, any real property which may be necessary or convenient to the effectuation of the authorized purposes of the Commission, including public roads and other real property already devoted to public use.

Commission empowered to take immediate possession of condemned property upon filing security.

Section 10. Whenever the Commission has condemned any lands, rights, rights-of-way, easements and franchises, or interests therein, as hereinbefore provided, and has tendered a bond or other security to secure the owner or owners for damages and the same

* "provisions" in original.

has been accepted, or if the acceptance of said bond has been refused and the same has been filed in and approved by the court of common pleas of the county in which the property is located, or, in the case of property located in two or more counties, then in any one of such counties, the Commission shall have the right to immediate possession of the property covered by the bond and may enter thereon in the name of the Commission. If the owner, lessee or occupier of any of said premises or any building *or structure thereon shall refuse to remove his personal property therefrom, or give up possession thereof, the Commission may proceed to obtain possession in the manner now provided by law for the obtaining possession by the Secretary of Highways of occupied structures.

Section 11. (a) The Commission is hereby authorized to provide, by resolution, at one time or from time to time, for the issuance of turnpike revenue bonds of the Commonwealth for the purpose of paying the cost, as hereinabove defined, of the turnpike, which resolution shall recite an estimate of such cost. The principal and interest of such bonds shall be payable solely from revenues of the Commission, including tolls, or from such funds as may be available to the Commission for that purpose. The bonds shall be dated, shall bear interest at such rate or rates not exceeding six per centum (6%) per annum, payable semi-annually, shall mature at such time or times not exceeding forty (40) years from their date or dates, as may be determined by the Commission, and may be made redeemable before maturity, at the option of the Commission, at such price or prices and under such terms and conditions as may be fixed by the Commission prior to the issuance of the bonds: Provided, however, That the amount of premium on any bonds shall not cause the yield to be more than six per centum (6%) per annum from the date of such bonds to the date of their redemption. The bonds may be issued in series with varying provisions as to rates of interest, maturity and other provisions not inconsistent with this act, but all bonds, of whatever series, shall share ratably in the tolls hereinafter pledged as security therefor. The principal and interest of such bonds may be made payable in any lawful medium. The Commission shall determine the form of bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds, and the place or places of payment of principal and interest thereof, which may be at any bank or trust company within or without the Commonwealth. The bonds shall bear the facsimile signatures of the Governor and of the chairman

Commission authorized to issue turnpike revenue bonds.

Forms, terms, interest rate and condition of bonds.

Proviso.

Signatures on bonds.

* "of" in original.

of the Commission, and the facsimile of the official seal of the Commission shall be affixed thereto, and attested by the secretary and treasurer of the Commission, and any coupons attached thereto shall bear the facsimile signature of the chairman of the Commission. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until such delivery. All turnpike revenue bonds issued under the provisions of this act shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth. The bonds may be issued in coupon or in registered form, or both, as the Commission may determine, and provision may be made for the registration of any coupon bond as to principal alone and also as to both principal and interest, and registered and coupon bonds shall be interchangeable. The Commission may sell such bonds in such manner and for such price as it may determine to be for the best interest of the Commonwealth, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than six per centum (6%) per annum, computed with relation to the absolute *maturity of the bonds in accordance with standard tables of bond values. The proceeds of such bonds shall be used solely for the payment of the cost of the turnpike, and shall be disbursed upon requisition of the chairman of the Commission under such restrictions, if any, as the resolution authorizing the issuance of the bonds, or the trust indenture hereinafter mentioned, may provide. If the proceeds of such bonds, by error of calculation or otherwise, shall be less than the cost of the turnpike, additional bonds may, in like manner, be issued to provide the amount of such deficit and, unless otherwise provided in the resolution authorizing the issuance of the bonds or in the trust indenture, shall be deemed to be of the same issue and shall be entitled to payment from the same fund, without preference or priority of the bonds first issued. If the proceeds of the bonds shall exceed the cost of the turnpike, the surplus shall be paid into the fund hereinafter provided for the payment of principal and interest of such bonds. Prior to the preparation of definitive bonds, the Commission may, under like restrictions, issue temporary bonds, with or without coupons, exchangeable for definitive bonds upon the

Bonds may be issued in coupon or in registered form, or both.

Sale of bonds.

Application of proceeds of bonds.

Issuance of additional bonds to cover deficit.

Issuance of temporary bonds.

* "majority" in original.

issuance of the latter. The Commission may also provide for the replacement of any bond which shall become mutilated or be destroyed or lost. Such turnpike revenue bonds may be issued without any other proceedings or the happening of any other conditions or things than those proceedings, conditions and things which are specified and required by this act.

Such bonds are hereby made securities in which all State and municipal officers and administrative departments, boards and commissions of the Commonwealth; all banks, bankers, savings banks, trust companies, saving and loan associations, investment companies and other persons carrying on a banking business; all insurance companies, insurance associations and other persons carrying on an insurance business; and all administrators, executors, guardians, trustees and other fiduciaries; and all other persons whatsoever who now or may hereafter be authorized to invest in bonds or other obligations of the Commonwealth, may properly and legally invest any funds, including capital, belonging to them or within their control, and said bonds are hereby made securities which may properly and legally be deposited with and received by any State or municipal officers or agency of the Commonwealth, for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized by law.

Bonds made legal investments.

(b) The Commission is hereby authorized to borrow money from time to time, at an interest rate not exceeding six per centum (6%) per annum, to provide for preliminary or interim financing, up to but not exceeding the estimated total cost of the turnpike, and to evidence such borrowing by the issuance of turnpike revenue notes or other revenue obligations of the Commonwealth, and, in its discretion, to pledge as collateral for such notes or other obligations, turnpike revenue bonds issued under the provisions of this act, and to renew any such notes or other obligations from time to time, and the payment or retirement of such notes or other obligations shall be considered to be payment of the cost of such project. All such notes or other obligations shall be executed by the same persons in the same manner and with the same effect as provided herein for the execution of revenue bonds. All such notes or other obligations shall contain a statement on their face that the Commonwealth is not obligated to pay the same or interest thereon, except from revenues of the Commission, including tolls, or from such funds as may be available to the Commission for that purpose, and that the faith and credit of the Commonwealth is not pledged to the payment of the principal or interest of such notes or other obligations. The issuance of turnpike notes or other obligations under

Commission authorized to provide for preliminary or interim financing up to certain limits.

the provisions of this act shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation therefor or make any appropriation for their payment.

All State and municipal officers and administrative departments, boards and commissions of the Commonwealth; all banks, bankers, saving banks, trust companies, saving and loan associations, investment companies and other persons carrying on a banking business; all insurance companies, insurance associations and other persons carrying on an insurance business, may properly and legally invest any funds, including capital, belonging to them or within their control, in such notes or other obligations, or loan any such funds and accept as evidence of the same such notes or other obligations.

All such notes or other obligations shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth.

Bondholders to have lien on proceeds until properly applied in favor of holders of bonds, etc.

Section 12. All moneys received from any bonds, notes or other obligations issued pursuant to this act shall be applied solely to the payment of the cost of the turnpike or to the appurtenant fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of holders of such bonds, notes or other obligations or the trustee hereinafter provided for in respect of such bonds, notes or other obligations.

Bonds may be secured by a trust indenture.

Section 13. In the discretion of the Commission, such bonds, notes or other obligations may be secured by a trust indenture by and between the Commission and a corporate trustee, which may be any trust company or bank having the powers of a trust company, within or outside of the Commonwealth. Such trust indenture may pledge or assign tolls and revenue to be received, but shall not convey or mortgage the turnpike or any part thereof. Either the resolution providing for the issuance of such bonds, notes or other obligations or such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders or holders of notes or other obligations as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Commission in relation to the acquisition of properties and the construction, maintenance, operation and repair, and insurance of, the turnpike, and the custody, safeguarding and application of all moneys. It shall be lawful for any bank or trust company incorporated under the laws of this Commonwealth to act as depository of the proceeds of bonds, notes or other obligations or revenues,

Indenture may pledge tolls and revenue to be received, but not turnpike.

and to furnish such indemnity bonds or to pledge such securities as may be required by the Commission. Such indenture may set forth the rights and remedies of the bondholders or holders of notes or other obligations and of the trustee, and may restrict the individual right of action of bondholders or holders of notes or other obligations as is customary in trust indentures securing bonds, debentures of corporations, notes or other obligations. In addition to the foregoing, such trust indenture may contain such other provisions as the Commission may deem reasonable and proper for the security of bondholders or holders of notes or other obligations. All expenses incurred in carrying out such trust indenture may be treated as part of the cost of maintenance, operation and repair of the turnpike.

Section 14. The accomplishment by the Commission of the authorized purposes stated in this act being for the benefit of the people of the Commonwealth and for the improvement of their commerce and prosperity, in which accomplishment the Commission will be performing essential governmental functions, the Commission shall not be required to pay any taxes or assessments on any property acquired or used by it for the purposes provided in this act, and the bonds, notes or other obligations issued by the Commission, their transfer, and the income therefrom, including any profits made on the sale thereof, shall at all times be free from taxation within the Commonwealth.

Property acquired by Commission to be exempt from taxation.

Bonds, notes or other obligations to be free from taxation.

Section 15. The Commission is hereby authorized to fix, and to revise from time to time, tolls for the use of the turnpike and the different parts or sections thereof, and to charge and collect the same, and to contract with any person, partnership, association or corporation desiring the use of any part thereof, including the right-of-way adjoining the paved portion, for placing thereon telephone, telegraph, electric light or power lines, gas stations, garages, stores, hotels, restaurants, and advertising signs, or for any other purpose, except for tracks for railroad or railway use, and to fix the terms, conditions, rents and rates of charges for such use. Such tolls shall be *so fixed and adjusted as to provide a fund at least sufficient with other revenues of the turnpike, if any, to pay (a) the cost of maintaining, repairing and operating the turnpike, and (b) the bonds, notes or other obligations and the interest thereon, and all sinking fund requirements, and other requirements provided by the resolution authorizing the issuance of the bonds, notes or other obligations, or by the trust indenture, as

Commission authorized to fix tolls for turnpike, and charges and conditions for use of adjoining right of way.

Tolls to be adequate to meet operating expenses and sinking fund requirements.

* "so" omitted in original.

Creation and
management of
sinking fund.

the same shall become due. Such tolls shall not be subject to supervision or regulation by any other State commission, board, bureau or agency. The tolls and all other revenues derived from the turnpike, except such part thereof as may be required to pay the cost of maintaining, repairing and operating the turnpike and to provide such reserves therefor as may be provided for in the resolution authorizing the issuance of the bonds, notes or other obligations, or in the trust indenture, shall be set aside, at such regular intervals as may be provided in such resolution or such trust indenture, in a sinking fund, which is hereby pledged to and charged with the payment of (1) the interest upon such bonds, notes or other obligations, as such interest shall fall due, (2) the principal of the bonds, notes or other obligations, as the same shall fall due, (3) the necessary fiscal agency charges for paying principal and interest, and (4) any premium upon bonds retired by call or purchase, as herein provided. The use and disposition of such sinking fund shall be subject to such regulations as may be provided in the resolution authorizing the issuance of bonds, notes or other obligations, or in the trust indenture, but, except as may otherwise be provided in such resolution or trust indenture, such sinking fund shall be a fund for the benefit of all bonds, notes or other obligations issued hereunder, without distinction or priority of one over another. Subject to the provisions of the resolutions authorizing the issuance of bonds, notes or other obligations, or of the trust indenture, any moneys in such sinking fund in excess of an amount equal to one year's interest on all bonds, notes or other obligations then outstanding may be applied to the purchase or redemption of bonds, notes or other obligations. All bonds, notes or other obligations so purchased or redeemed shall forthwith be cancelled and shall not again be issued.

Commission
authorized to
issue refunding
bonds under
certain
conditions.

Section 16. The Commission is hereby authorized to provide, by resolution, for the issuance of turnpike revenue refunding bonds of the Commonwealth for the purpose of refunding any turnpike revenue bonds, notes or other obligations issued under the provisions of this act and then outstanding. The issuance of such turnpike revenue refunding bonds, the maturities and other details thereof, the rights of the holders thereof, and the duties of the Commonwealth and of the Commission in respect to the same, shall be governed by the foregoing provisions of this act in so far as the same may be applicable.

Section 17. Any holder of bonds, notes or other obligations issued under the provisions of this act, or any of the coupons attached thereto, and the *trustee under the trust indenture, if any, except to the extent the rights herein given may be restricted by resolution passed before the issuance of the bonds, notes or other obligations, or by the trust indenture, may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce any and all rights granted hereunder or under such resolution or trust indenture, and may enforce and compel performance of all duties required by this act or by such resolution or trust indenture to be performed by the Commission or any officer thereof, including the fixing, charging and collecting of tolls for the use of the turnpike.

Bondholders, etc., empowered to enforce rights by legal proceedings.

Section 18. When all bonds, notes or other obligations and the interest thereon shall have been paid, or a sufficient amount for the payment of all bonds, notes or other obligations and the interest to maturity thereon shall have been set aside in trust for the benefit of the holders of such bonds, notes or other obligations and shall continue to be held for that purpose, the turnpike and the connecting roads, tunnels and bridges shall become a part of the system of State highways and shall be maintained by the Department of Highways free of tolls; and thereupon, the Commission shall be dissolved, and all funds of the Commission not required for the payment of the bonds, notes or other obligations, and all machinery, equipment and other property belonging to the Commission, shall be vested in the Department of Highways.

Turnpike to be free when all bonds paid or provision made therefor.

Section 19. The foregoing sections of this act shall be deemed to provide an additional and alternative method for the doing of things authorized thereby, and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing. Such sections, being necessary for the welfare of the Commonwealth and its inhabitants, shall be liberally construed to effect the purposes thereof.

Act to be liberally construed.

Section 20. The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions. It is hereby declared to be the

Constitutionality and severability.

* "trustees" in original

legislative intent that this act would have been adopted had such unconstitutional provisions not been included therein.

Act of May 9,
1949, P. L. 1037,
repealed.

Section 21. The act, approved the ninth day of May, one thousand nine hundred forty-nine (Pamphlet Laws 1037), entitled "An act to facilitate vehicular traffic in the western section of the Commonwealth by providing for the construction, operation and maintenance of a turnpike from a point at or near the City of Erie in Erie County, to connect with the Pennsylvania Turnpike or the western extension thereof, at such point as the Pennsylvania Turnpike Commission may decide is the most feasible and practicable for the further extension of the Pennsylvania Turnpike system, and conferring powers and imposing duties on the Pennsylvania Turnpike Commission; authorizing the issuance of turnpike revenue bonds of the Commonwealth payable solely from tolls to pay the cost of such turnpike; providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted by this act; providing for the collection of tolls for the payment of such bonds and for the cost of maintenance, operation and repair of the turnpike; making such turnpike bonds exempt from taxation; constituting such bonds legal investments in certain instances; requiring suits against the commission to be brought in Dauphin County; prescribing conditions on which such turnpike shall become free; providing for grade separations, grade changes and relocations and restoration of public roads and State highways affected by the turnpike; providing for condemnation; granting certain powers and authority to municipal subdivisions and agencies of the Commonwealth to cooperate with the commission; and authorizing the issuance of turnpike revenue refunding bonds," is hereby repealed.

All acts and parts of acts are hereby repealed in so far as they are inconsistent with the provisions of this act.

Inconsistent acts
repealed.

Section 22. This act shall become effective immediately upon its final enactment.

Act effective
immediately.

APPROVED—The 28th day of July, A. D. 1953.

JOHN S. FINE