

No. 2006-180

AN ACT

SB 1095

Amending the act of July 5, 1984 (P.L.587, No.119), entitled "An act empowering the Department of Transportation to preserve and improve rail freight service in the Commonwealth by making grants, loans or other assistance available to qualified applicants; authorizing a comprehensive rail study; making an appropriation; and making repeals," further providing for definitions and for program authority.

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

Section 1. The definition of "capital project" in section 3 of the act of July 5, 1984 (P.L.587, No.119), known as the Rail Freight Preservation and Improvement Act, is amended and the section is amended by adding a definition to read:

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

* * *

"Capital project." Acquisition of property, *labor and materials* for equipping, furnishing, constructing, reconstructing, rehabilitating or improving rail freight transportation systems or facilities, but shall not include accelerated maintenance.

* * *

"Railroad user." *Any person, firm or corporation which is a direct user or promoter of the development of any rail freight transportation system, facility or service in this Commonwealth.*

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Section 2. Section 6(a) of the act is amended to read:

Section 6. Program authority.

(a) Authority.—The department is hereby authorized, within the limitation herein provided to:

(1) Provide operating subsidy grants to railroad companies, transportation organizations or municipalities to defray, or assist in defraying, the net deficit incurred by such entities in providing essential rail freight transportation services within the Commonwealth.

(2) Provide grants to railroad companies, transportation organizations, *railroad users* or municipalities to defray, or assist in defraying, the cost of accelerated maintenance projects performed on rail lines within the Commonwealth.

(3) Undertake capital projects and to provide *and administer* capital project grants to railroad companies, transportation organizations, *railroad users* or municipalities. The department shall not operate or provide directly rail freight transportation services on its own rail lines or on lines owned by others, nor shall a capital project be undertaken in order to enable the department to provide directly rail freight transportation services. *Notwithstanding the provisions of sections 302 and 303 of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, the department is authorized to make grants for capital projects up to \$250,000 without authorization or itemization in an approved capital budget.*

(4) Acquire by purchase, lease, eminent domain proceedings, gift or otherwise, all and any property, in such estate as determined by the secretary, for promoting the purposes of this act, including the property of a public utility. All municipalities and corporations are hereby authorized to donate property to the department. Eminent domain proceedings shall be in accordance with the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the Eminent Domain Code, and the department is empowered to join with any municipality or transportation organization in obtaining any property through the eminent domain proceedings.

(5) Undertake research, studies, analysis and planning, to make grants to railroad companies, transportation organizations and municipalities for research, studies analysis and planning, relating to any phase of rail freight transportation services, systems and facilities, including the management, operation, capital requirements and economic feasibility thereof, and any preparation of engineering and architectural surveys, plans and specifications and other similar activities preliminary to and in preparation for construction, acquisition or improved operation of rail freight transportation services, systems and facilities within the Commonwealth.

(6) Undertake demonstration projects and to make grants to railroad companies, transportation organizations and municipalities for demonstration projects, including the development, testing and demonstration of new facilities, equipment, techniques and methods of providing rail freight transportation services, systems and facilities within the Commonwealth.

(7) Undertake marketing activities and to make grants to railroad companies, transportation organizations and municipalities for marketing activities designed to foster the fullest and most efficient utilization of rail freight transportation services, systems and facilities within the Commonwealth. Marketing activities may be undertaken by contract with the department or by subcontract with a grantee of the department, upon approval of the subcontract by the secretary.

(8) Undertake audits of any project being financially assisted by the department. The department may hire outside auditors to perform such

functions or may direct its grantees to engage such auditors and include the expense thereof as an eligible program cost.

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Section 3. This act shall take effect in 60 days.

APPROVED—The 29th day of November, A.D. 2006.

EDWARD G. RENDELL