

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2316

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3167 Introduction and first reading
Referred to Transportation Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to transportation; increasing transit ridership; requiring Metropolitan
1.3 Council and greater Minnesota transit systems to reduce transit fares to 25 cents;
1.4 appropriating money.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **LEGISLATIVE FINDINGS AND PURPOSE.**

1.7 (a) The legislature finds it is in the public interest to address traffic congestion and reduce
1.8 harmful vehicle emissions by increasing transit ridership. Research has shown that decreasing
1.9 transit fares increases ridership and that increasing transit fares decreases ridership. Increasing
1.10 transit ridership through fare reduction is likely the most cost-effective means to address
1.11 overall traffic congestion in the metropolitan area and to address transportation needs for
1.12 people in cities throughout Minnesota.

1.13 (b) Passenger fares currently cover less than one-fourth of total transit costs.
1.14 Consequently, deep fare reductions have a relatively low impact on overall costs and the
1.15 resulting ridership increase significantly reduces the public subsidy per passenger.

1.16 (c) The significant ridership increase resulting from uniform 25-cent fares would likely
1.17 lead to more frequent service and the addition of transit routes, thereby making transit a
1.18 viable option for an increased number of people and further increasing ridership.

1.19 (d) Dramatically reducing transit fares uses market incentives to add ridership and
1.20 increase the efficiency and cost-effectiveness of Minnesota's overall transportation system.
1.21 A significant increase in transit ridership would reduce traffic congestion at a lower cost
1.22 than other transportation improvements while saving money for many low-income riders.

2.1 Sec. 2. **REGULAR ROUTE TRANSIT FARES.**

2.2 (a) Notwithstanding Minnesota Statutes, section 473.408, the Metropolitan Council must
2.3 establish and enforce a fare of 25 cents for regular route bus and light rail transit in the
2.4 metropolitan area. The council must not increase the fare without legislative approval.

2.5 (b) Notwithstanding Minnesota Statutes, section 174.24, the commissioner of
2.6 transportation shall require each greater Minnesota urbanized area service system that
2.7 receives financial assistance under a public transit participation program to establish and
2.8 enforce a fare of 25 cents for their transit system rides. Fares set under this paragraph must
2.9 not be increased without legislative approval.

2.10 Sec. 3. **APPROPRIATION; METROPOLITAN COUNCIL.**

2.11 (a) \$..... in fiscal year 2018 and \$..... in fiscal year 2019 are appropriated from the
2.12 general fund to the Metropolitan Council for metropolitan transit to replace revenue lost by
2.13 lower fares.

2.14 (b) \$..... in fiscal year 2018 and \$..... in fiscal year 2019 are appropriated from the
2.15 general fund to the Metropolitan Council to cover incremental costs of providing transit
2.16 service to additional transit riders resulting from lower fares.

2.17 Sec. 4. **APPROPRIATION; DEPARTMENT OF TRANSPORTATION.**

2.18 (a) \$..... in fiscal year 2018 and \$..... in fiscal year 2019 are appropriated from the
2.19 general fund to the commissioner of transportation to provide assistance to greater Minnesota
2.20 transit systems described in section 2, paragraph (b), to replace revenues lost by lower fares.

2.21 (b) \$..... in fiscal year 2018 and \$..... in fiscal year 2019 are appropriated from the
2.22 general fund to the commissioner of transportation to provide assistance to greater Minnesota
2.23 transit systems described in section 2, paragraph (b), to cover incremental costs of providing
2.24 service to additional transit riders resulting from lower fares.

2.25 (c) The appropriations in this section are in addition to assistance provided by, and not
2.26 subject to the limitations of, the public transit participation program.