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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **2508**

03/08/2016 Authored by Barrett, Loonan and Dettmer

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance

1.1 A bill for an act  
1.2 relating to transportation; mass transit; establishing a fare revenue schedule for  
1.3 Metro Transit; amending Minnesota Statutes 2014, section 473.408, subdivision  
1.4 2, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2014, section 473.408, subdivision 2, is amended to read:

1.7 Subd. 2. **Fare policy.** (a) Fares and fare collection systems ~~shall~~ must be established  
1.8 and administered to accomplish the following purposes:

1.9 (1) to encourage and increase transit and paratransit ridership with an emphasis  
1.10 on regular ridership;

1.11 (2) to restrain increases in the average operating subsidy per passenger;

1.12 (3) to ensure that no riders on any route pay more in fares than the average cost of  
1.13 providing the service on that route;

1.14 (4) to ensure that operating revenues are proportioned to the cost of providing the  
1.15 service so as to reduce any disparity in the subsidy per passenger on routes in the transit  
1.16 system; ~~and~~

1.17 (5) to implement the social fares as set forth in subdivision 2b.; and

1.18 (6) to ensure compliance with the fare revenue schedule in subdivision 11.

1.19 (b) The plan must contain a statement of the policies that will govern the imposition  
1.20 of user charges for various types of transit service and the policies that will govern  
1.21 decisions by the council to change fare policy.

1.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.1 Sec. 2. Minnesota Statutes 2014, section 473.408, is amended by adding a subdivision  
2.2 to read:

2.3 Subd. 11. **Fare revenue schedule; requirements; penalty.** (a) For the calendar  
2.4 years ending on the specified dates, annual fare revenues collected from all transit systems  
2.5 operated by the council must equal the stated percentage of the council's total cost to  
2.6 operate all transit systems:

2.7 (1) December 31, 2016, 30 percent;

2.8 (2) December 31, 2017, 35 percent;

2.9 (3) December 31, 2018, 40 percent;

2.10 (4) December 31, 2019, 45 percent; and

2.11 (5) December 31, 2020, and each December 31 thereafter, 50 percent.

2.12 (b) If the total fare revenues collected by the council during a calendar year do not  
2.13 meet the percentage required under paragraph (a), the council must pay a penalty equaling  
2.14 half of the total revenue shortfall. Penalty payment must be made to the commissioner  
2.15 of management and budget by March 1 the year following a fare revenue shortfall. The  
2.16 commissioner of management and budget must deposit all penalties paid under this  
2.17 paragraph into the trunk highway fund.

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.