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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

NINETIETH SESSION

**H. F. No. 1480**

- 02/20/2017 Authored by Runbeck  
The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy
- 03/13/2017 Adoption of Report: Amended and re-referred to the Committee on Transportation Finance
- 03/23/2017 Adoption of Report: Re-referred to the Committee on Ways and Means  
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration
- 05/22/2017 Pursuant to Joint Rule 3.02(b), returned to the Committee on Ways and Means

1.1 A bill for an act  
1.2 relating to transit; amending certain transit finance and project reporting  
1.3 requirements; requiring a fare increase; prohibiting certain agreements for light  
1.4 rail transit line construction; making technical changes; amending Minnesota  
1.5 Statutes 2016, sections 174.93; 473.13, subdivision 1b.

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

1.7 Section 1. Minnesota Statutes 2016, section 174.93, is amended to read:

1.8 **174.93 GUIDEWAY METROPOLITAN AREA TRANSIT INVESTMENT.**

1.9 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
1.10 the meanings given:

1.11 (1) "busway" means a form of transportation service, consisting of arterial or highway  
1.12 bus rapid transit, limited stop bus service, and express bus service, provided to the public  
1.13 on a regular and ongoing basis that does not primarily or substantially operate within  
1.14 separated rights-of-way;

1.15 (2) "commissioner" means the commissioner of transportation;

1.16 ~~(2)~~ (3) "guideway" means a form of transportation service provided to the public on a  
1.17 regular and ongoing basis; that primarily or substantially operates on exclusive or within  
1.18 ~~controlled~~ separated rights-of-way or operates on rails in whole or in part, and includes:

1.19 (i) each line for intercity passenger rail, commuter rail, light rail transit, and streetcars;  
1.20 ~~and;~~

1.21 (ii) as applicable, each line for dedicated bus service, which may include arterial or  
1.22 highway bus rapid transit, limited stop bus service, and express bus service; and

2.1 (iii) any intermodal facility serving two or more lines identified in items (i) and (ii); and

2.2 ~~(3)~~ (4) "local unit of government" means a county, statutory or home rule charter city,  
2.3 town, or other political subdivision including, but not limited to, a regional railroad authority  
2.4 or joint powers board.

2.5 (b) For purposes of this section, "sources of funds" includes, but is not limited to, money  
2.6 from federal aid, state appropriations, the Metropolitan Council, special taxing districts,  
2.7 local units of government, fare box recovery, and nonpublic sources.

2.8 (c) For purposes of this section, "budget activity" includes, but is not limited to,  
2.9 environmental analysis, land acquisition, easements, design, preliminary and final  
2.10 engineering, acquisition of vehicles and rolling stock, track improvement and rehabilitation,  
2.11 and construction.

2.12 (d) Guideway does not include a busway.

2.13 (e) "Separated rights-of-way" includes exclusive, dedicated, or primary use of a  
2.14 right-of-way by the public transportation service. Separated rights-of-way does not include  
2.15 a shoulder, dynamic shoulder lane, or priced lane under section 160.93.

2.16 Subd. 1a. **Guideway capital project requests to legislature.** A state agency or local  
2.17 unit of government that submits a request to the legislature to obtain state funds for a  
2.18 guideway project shall, as part of the request, provide a summary financial plan for the  
2.19 project that presents the following information as reflected by the data and level of detail  
2.20 available in the latest phase of project development:

2.21 (1) capital expenditures and funding sources for the project, including expenditures to  
2.22 date and total projected or estimated expenditures, with a breakdown by committed and  
2.23 proposed sources of funds; and

2.24 (2) estimated annual operations and maintenance expenditures for the project, with a  
2.25 breakdown by committed and proposed sources of funds.

2.26 Subd. 2. **Legislative report.** ~~(a) Annually by January 15, 2012, and by November 15 in~~  
2.27 ~~every odd-numbered year thereafter, the commissioner shall~~ council must prepare, in  
2.28 collaboration with the ~~Metropolitan Council~~ commissioner, ~~and a report on comprehensive~~  
2.29 transit finance in the metropolitan area. The council must submit a ~~the~~ report electronically  
2.30 to the chairs and ranking minority members of the legislative committees with jurisdiction  
2.31 over transportation policy and finance ~~concerning~~.

2.32 (b) The report must be structured to provide financial information in six-month increments  
2.33 corresponding to state and local fiscal years, and must use consistent assumptions and

3.1 methodologies. The report must comprehensively identify all funding sources and  
3.2 expenditures related to transit in the metropolitan area, including but not limited to:

3.3 (1) sources and uses of funds from regional railroad authorities, joint powers agreements,  
3.4 counties, and cities;

3.5 (2) expenditures for transit planning, feasibility studies, alternatives analysis, and other  
3.6 transit project development; and

3.7 (3) expenditures for guideways, busways, regular route bus service, demand-response  
3.8 service, and special transportation service under section 473.386.

3.9 (c) The report must include a section that identifies the status of guideways in revenue  
3.10 operation and guideway projects (1) currently in study, planning, development, or  
3.11 construction; (2) identified in the transportation policy plan under section 473.146; or (3)  
3.12 identified in the comprehensive statewide freight and passenger rail plan under section  
3.13 174.03, subdivision 1b.

3.14 ~~(b)~~ (d) At a minimum, the guideways status section of the report must include, provide  
3.15 for each guideway project wholly or partially in the metropolitan area:

3.16 (1) a brief description of the project, including projected ridership;

3.17 (2) a summary of the overall status and current phase of the project;

3.18 (3) a timeline that includes (i) project phases or milestones, including any federal  
3.19 approvals; (ii) expected and known dates of commencement of each phase or milestone;  
3.20 and (iii) expected and known dates of completion of each phase or milestone;

3.21 (4) a brief progress update on specific project phases or milestones completed since the  
3.22 last previous submission of a report under this subdivision; and

3.23 (5) a summary financial plan that identifies, as reflected by the data and level of detail  
3.24 available in the latest phase of project development and to the extent available:

3.25 (i) capital expenditures, including expenditures to date and total projected expenditures,  
3.26 with a breakdown by committed and proposed sources of funds for the project;

3.27 (ii) estimated annual operations and maintenance expenditures reflecting the level of  
3.28 detail available in the current phase of the project development, with a breakdown by  
3.29 committed and proposed sources of funds for the project; and

3.30 (iii) if feasible, project expenditures by budget activity.

4.1 (e) The report must include a section that summarizes the status of busways in revenue  
4.2 operation and busway projects currently in study, planning, development, or construction.

4.3 (f) The report must include a section that identifies the total ridership, farebox recovery  
4.4 ratio, and per-passenger operating subsidy for (1) each route and line in revenue operation  
4.5 by a transit provider, including guideways, busways, and regular route bus service; and (2)  
4.6 demand-response service and special transportation service. The section must provide data  
4.7 on a per-passenger mile basis and must provide information for at least the previous three  
4.8 years. The section must identify performance standards for farebox recovery and identify  
4.9 each route and line that does not meet the standards.

4.10 ~~(e)~~ (g) The report must also include a systemwide capacity analysis for transit operations  
4.11 and investment in guideway expansion and maintenance that:

4.12 (1) provides a funding projection, annually over the ensuing ten years, and with a  
4.13 breakdown by committed and proposed sources of funds, of:

4.14 (i) total capital expenditures for guideways and for busways;

4.15 (ii) total operations and maintenance expenditures for guideways and for busways;

4.16 (iii) total funding available for guideways and for busways, including from projected or  
4.17 estimated farebox recovery; and

4.18 (iv) total funding available for transit service in the metropolitan area; and

4.19 (2) evaluates the availability of funds and distribution of sources of funds for guideway  
4.20 and busway investments.

4.21 ~~(d)~~ (h) The ~~projection~~ capacity analysis under paragraph ~~(e)~~, ~~clause (1)~~, (g) must ~~be for~~  
4.22 include all guideway and busway lines for which state public funds are reasonably expected  
4.23 to be expended in planning, development, construction, or revenue operation, or capital  
4.24 maintenance during the ensuing ten years.

4.25 ~~(e)~~ (i) Local units of government ~~shall~~ must provide assistance and information in a  
4.26 timely manner as requested by the commissioner or council for completion of the report.

4.27 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
4.28 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
4.29 Scott, and Washington.

5.1 Sec. 2. Minnesota Statutes 2016, section 473.13, subdivision 1b, is amended to read:

5.2 Subd. 1b. **Light Rail transit operating costs.** (a) If the council submits to the legislature  
5.3 or governor a budget that includes proposed operating assistance for one or more light rail  
5.4 transit lines operated by the council, the budget must show the proposed operating assistance  
5.5 for each light rail transit line separately from all other transit operating assistance in that  
5.6 budget.

5.7 (b) The council is prohibited from adopting a budget in which the combined operating  
5.8 expenditures for light rail transit and commuter rail are identified as more than 25 percent  
5.9 of the total transportation operating expenditures, excluding passthrough grants.

5.10 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
5.11 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
5.12 Scott, and Washington.

5.13 Sec. 3. **REGULAR ROUTE FARES.**

5.14 (a) On or before January 1, 2018, the Metropolitan Council must impose a fare increase  
5.15 for regular route transit service, and may impose fare increases for other transit service as  
5.16 appropriate and subject to Minnesota Statutes, section 473.408.

5.17 (b) Prior to determining the amount of fare increase, the council must implement a  
5.18 process that, at a minimum, includes:

5.19 (1) analysis of fares and farebox recovery in peer regions;

5.20 (2) estimation of the impacts to (i) ridership, (ii) farebox revenue, and (iii) farebox  
5.21 recovery ratios across all transit routes and lines in revenue operation;

5.22 (3) review and comment by the transportation advisory board under Minnesota Statutes,  
5.23 section 473.146, subdivision 4; and

5.24 (4) input from transit stakeholders, including but not limited to transit riders, replacement  
5.25 service providers under Minnesota Statutes, section 473.388, and the Transportation  
5.26 Accessibility Advisory Committee under Minnesota Statutes, section 473.375, subdivision  
5.27 9a.

5.28 (c) By the earlier of November 30, 2017, or two weeks following approval of a fare  
5.29 increase, the council must submit a notification to the chairs and ranking minority members  
5.30 of the legislative committees with jurisdiction over transportation policy and finance. The  
5.31 notification must (1) summarize the process implemented in paragraph (b), (2) identify the

6.1 revised fare schedule, and (3) provide the information developed in paragraph (b), clauses  
6.2 (1) and (2).

6.3 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
6.4 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
6.5 Scott, and Washington.

6.6 Sec. 4. **LIGHT RAIL TRANSIT; FEDERAL AGREEMENTS.**

6.7 Unless specifically authorized by law, the Metropolitan Council is prohibited from  
6.8 entering into a full funding grant agreement with the Federal Transit Administration for the  
6.9 proposed Southwest light rail transit line or for the proposed Bottineau light rail transit line.

6.10 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
6.11 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
6.12 Scott, and Washington.

6.13 Sec. 5. **REVISOR'S INSTRUCTION.**

6.14 The revisor of statutes shall recodify Minnesota Statutes, section 174.93, as Minnesota  
6.15 Statutes, section 473.4485. The revisor shall correct any cross-references made necessary  
6.16 by this recodification.