

Subd. 5. In the event the designer selected for a project declines the appointment or is unable to reach agreement with the department of administration on the fee or the terms of the contract, the commissioner of administration shall, not less than 60 days after the first appointment, request of the board that another selection be made.

Subd. 6. If the board fails to make a selection and notify the commissioner of administration thereof within 60 days of the user agency's request for a designer, the commissioner of administration may appoint a designer to the project without the recommendation of the board.

Sec. 7. **[16.827] OFFICE, STAFF AND RECORDS.** The board shall be provided with suitable quarters by the department of administration for the maintenance of an office, the holding of meetings and the keeping of records. The commissioner of the department of administration shall designate an employee of the department of administration to serve as executive secretary to the board, and shall furnish a secretarial staff to the board as is necessary for the expeditious conduct of the board's duties and responsibilities.

Sec. 8. This act is in effect the day following its final enactment.

Approved April 12, 1974.

CHAPTER 534—H.F.No.3164
[Not Coded]

An act relating to public transit; providing for public transportation improvements throughout the state and public transit demonstration projects; appropriating money therefor.

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

Section 1. PUBLIC TRANSIT; DEMONSTRATION PROJECTS; LEGISLATIVE PURPOSE. The legislature finds and determines that it is in the best interest of the state to establish supplemental public transit aid and public transit demonstration programs. It is the purpose of these programs to preserve, improve and develop supplemental public transit operations throughout the state with financial aid. It is the goal of these programs to reduce energy consumption and afford the benefits of an effective public transit system to those persons who would not have available an alternative source of transportation. It is the intent of this legislation that the funds be used on a statewide basis, and that the relative financial needs of all potential recipients be considered.

Sec. 2. CITATION. This act may be cited as the Minnesota Sup-
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plemental Transit Aid Program Act of 1974.

Sec. 3. DEFINITIONS. Subdivision 1. "Eligible recipients" means any legislatively established public transit commission or public transit authority, county, or municipality providing financial assistance to, or operating a public transit system or any combination of such units.

Subd. 2. "Total operating deficits" means the amount by which the total prudent operating expenses incurred in the operation of the public transit system exceeds the amount of operating revenue derived *therefrom*.

Subd. 3. "Public transit system" means a transit system, either publicly or privately owned, which provides to the public general or specific service on a regular and continuing basis.

Sec. 4. SUPPLEMENTAL PUBLIC TRANSIT AID PROGRAM. Subdivision 1. **CREATION.** A supplemental public transit aid program is hereby created to provide state financial assistance to eligible recipients.

Subd. 2. **PURPOSE.** The purpose of this program is to preserve and improve public transit operations in approved areas of the state.

Subd. 3. **ELIGIBILITY.** Eligible recipients of the financial assistance through the supplemental public transit aid program include counties, municipalities, and legislatively established public transit authorities or commissions, or combinations of such units. Applications for financial assistance shall be made through the regional development commissions.

Subd. 4. **ORGANIZATION.** The state planning agency shall administer this supplemental public transit aid program in areas other than the metropolitan transit area and shall have all the powers necessary and convenient to implement the program, including the following:

(a) Adopt rules and regulations necessary to carry out the purpose of this section.

(b) Receive applications for aid under this section and prescribe the form and nature and extent of the information which shall be contained in the application.

(c) Make and execute contracts with any eligible recipients to insure the continuance and improvement of public transit service at reasonable fares. Payments under such contracts to eligible recipients shall not exceed two-thirds of the total operating deficit of the public transit system involved. In allocating these funds, the state planning agency may consider population, transit ridership, relative need for public transit, new developments and other factors.

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(d) Determine the operating deficit of any public transit system in accordance with the general accepted accounting principles and practices. In determining such total operating deficits, the agency shall consider all increases and expenses and reductions in revenue in the public transit system after the effective date of this section and may disallow portions or all or any such increase or reductions. Where legislatively established public transit authorities or commissions do not exist, and if more than one county or municipality contributes assistance to the operation of a public transit system, the aid distributable under this section shall be allocated among contributors in proportion to their contribution.

(e) Apply for, receive and accept federal funds made available for the purpose of this section, if requested, on behalf of eligible recipients.

Subd. 5. APPROPRIATION. There is hereby appropriated from the general fund the sum of \$5,500,000 to the state planning agency for the purposes of carrying out the provisions of this section. Four million five hundred thousand dollars of these funds shall be appropriated for use by the metropolitan transit commission to carry out the provisions of the commission's petroleum emergency program. None of the moneys hereby appropriated shall cancel but shall be available until expended.

Sec. 5. PUBLIC TRANSIT DEMONSTRATION PROGRAM. Subdivision 1. **CREATION.** A public transit demonstration program is hereby created which will provide state financial assistance to eligible recipients.

Subd. 2. PURPOSE. The purpose of this program is to demonstrate the effects of improving public transit service on reducing vehicular travel and meeting transportation needs at a minimal cost.

Subd. 3. ELIGIBILITY. Eligible recipients of the financial assistance through the public transit demonstration program include counties, municipalities, legislatively established public transit authorities or commissions, or combinations of such units in areas other than the metropolitan transit area defined in Minnesota Statutes, Chapter 473A. Applications for financial assistance shall be made through the regional development commissions.

Subd. 4. LIMITATIONS. It is the intent of this legislation that the funds be used on a statewide basis. In order to carry out this policy, no more than 20 percent of the funds appropriated in subdivision 6 shall be granted to any single recipient during the first six months of the program. At the end of the six month period, unobligated funds shall be made available without such restriction.

Subd. 5. ORGANIZATION. The state planning agency shall administer the public transit demonstration program and shall have the powers necessary and convenient to implement the program, including

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the following:

(a) Adopt rules and regulations necessary to carry out the purpose of this section.

(b) Insure that grant applications specify how the proposed project will result in improvements in accessibility for public transportation, improvements in the quality of public transit service to passengers, improvements in the economic performance of the public transit system and in reducing adverse impacts of vehicular transportation on the environment.

(c) Make and execute contracts with eligible recipients. Grants of up to 75 percent of the cost of the public transit demonstration projects may be made.

Subd. 6. **APPROPRIATIONS.** There is hereby appropriated from the general fund to the state planning agency the sum of \$500,000 for the purpose of carrying out the provisions of this section. None of moneys hereby appropriated shall cancel but shall be available until expended.

Sec. 6. After 12 months from the date of final enactment, funds remaining unobligated under sections 4 and 5 may be allocated for either of the purposes described in sections 4 and 5.

Sec. 7. **PLANNING.** Any system or program which receives funds pursuant to this act shall take into consideration the needs of the handicapped and aged in the development of or planning for improvements to such system or program.

Sec. 8. **ADMINISTRATIVE COST.** There is hereby appropriated from the general fund to the state planning agency the sum of \$75,000 for the purposes of administering the provisions of this act. None of the moneys hereby appropriated shall cancel but shall be available until expended.

Sec. 9. **EFFECTIVE DATE.** This act shall take effect upon final enactment.

Approved April 11, 1974.

CHAPTER 535—H.F.No.3202
[Not Coded]

An act relating to the city of Coon Rapids; authorizing the issuance of on-sale licenses for the sale of intoxicating liquor.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MIN-

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