GREATER MINNESOTA TRANSIT PROGRAM

Section 1. Minnesota Statutes 2022, section 174.22, is amended by adding a subdivision to read:

Subd. 1a. Complementary paratransit service (ADA). "Complementary paratransit service (ADA)" means public transportation service provided on a regular basis where fixed route public transit service exists and is designed exclusively or primarily to serve individuals who are elderly or disabled and unable to use regular means of public transportation.

Sec. 2. Minnesota Statutes 2022, section 174.22, subdivision 2b, is amended to read:

Sec. 3a. Large urbanized area service. "Large urbanized area service" means public transportation service operated in areas located outside the metropolitan area with a population greater than 200,000 that is designated by the United States Census Bureau.

Large urbanized area service does not include complementary paratransit service (ADA), as defined in subdivision 1a.

Sec. 4. Minnesota Statutes 2022, section 174.22, subdivision 7, is amended to read:

(1) intercity passenger rail transportation provided by the entity described in United States Code, title 49, section 243, or a successor entity;

(2) intercity bus service;

(3) charter bus service;

(4) school bus service;

(5) sightseeing service;

(6) courtesy shuttle service for patrons of one or more specific establishments; or

(7) service provided in the manner authorized under Minnesota Statutes, sections 21.73, 21.74, 367.623, 411.763, and 413B.104, or a successor or successor entity.
Sec. 1. [Section 174.20, subdivision 3] Subd. 1a. Greater Minnesota transit investment plan. (a) The commissioner shall develop a greater Minnesota transit investment plan that contains a goal of meeting at least 80 percent of total transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of total transit service needs in greater Minnesota by July 1, 2025.

(b) The plan must include, but is not limited to, the following:

Sec. 2. Subd. 14. Greater Minnesota transit investment plan. (a) The commissioner shall seek out and select eligible recipients of financial assistance under sections 174.21 to 174.27 as a condition for receiving financial assistance.

(b) The commissioner shall establish by rule the procedures and standards for review and approval of applications for financial assistance submitted to the commissioner pursuant to sections 174.21 to 174.27. Any applicant shall provide to the commissioner any financial or other information required by the commissioner to carry out the commissioner's duties. The commissioner may require local contributions from applicants as a condition for receiving financial assistance.

(c) Before the commissioner approves any grant, the application for the grant may be reviewed by the appropriate regional development commission only for consistency with regional transportation plans and development guides. If an applicant proposes a project within the jurisdiction of a transit authority or commission or a transit system assisted or operated by a city or county, the application shall also be reviewed by that commission, authority, or political subdivision for consistency with its transit programs, policies, and plans.

Sec. 3. Subd. 15. (a) [Section 174.20, subdivision 4] Sec. 5. Minnesota Statutes 2022, section 174.22, subdivision 12, is amended to read:

Sec. 6. Minnesota Statutes 2022, section 174.22, subdivision 14, is amended to read:

Subd. 14. Municipal transit. "Small urbanized area service" means a public transportation service operating in an area with a population between 2,500 and 20,000 that is designated by the United States Census Bureau. Small urbanized area service does not include complementary paratransit service (ADA), as defined in subdivision 1a.
(1) an analysis of ridership and total transit service needs throughout greater Minnesota;
(2) a calculation of the level and type of service required to meet total transit service needs, for the transit system classifications as provided under subdivision 3b, paragraph (c), of large urbanized area, small urbanized area, rural area, and elderly and disabled service, and complementary paratransit service (ADA);
(3) an analysis of costs and revenue options;
(4) a plan to reduce total transit service needs as specified in this subdivision; and
(5) identification of the operating and capital costs necessary to meet 100 percent of the greater Minnesota transit targeted and projected bus service hours, as identified in the greater Minnesota transit plan, for 2010, 2015, 2020, 2025, and 2030.

(c) The plan must specifically address special transportation service ridership and needs. The plan must also provide that recipients of operating assistance under this section provide fixed route public transit service without charge for disabled veterans in accordance with subdivision 7.

Sec. 9. Minnesota Statutes 2022, section 174.24, subdivision 3b, is amended to read:

Subd. 3b. Operating assistance; recipient classifications.
(a) The commissioner shall determine the total operating cost of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance that may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving money under this section.

(c), Subdivision 7.
(b) Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner must place all recipients into one of the following classifications: large urbanized area service, small urbanized area service, rural area service, and elderly and disabled service, and complementary paratransit service (ADA).

(c, Subdivision 7.
(b) The commissioner shall distribute funds the operating assistance amount under this section so that the percentage of total contracted operating cost from local sources paid by any recipient from local sources will not exceed the following percentage for that recipient's classification, except as provided in this subdivision:

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urbanized area service</td>
<td>20 percent</td>
</tr>
<tr>
<td>Rural area service</td>
<td>15 percent</td>
</tr>
<tr>
<td>Elderly and disabled service</td>
<td>15 percent</td>
</tr>
<tr>
<td>Complementary paratransit service (ADA)</td>
<td>15 percent</td>
</tr>
</tbody>
</table>
79.5 Except as provided in a United States Department of Transportation program allowing or
79.6 requiring a lower percentage to be paid from local sources, the remainder of the recipient's
79.7 total contracted operating cost will be paid from state sources of funds less any assistance
79.8 received by the recipient from the United States Department of Transportation.
79.9 (c) For purposes of this subdivision, "local sources" means all local sources of funds
79.10 and includes all operating revenue, tax levies, and contributions from public funds except
79.11 that the commissioner may exclude from the total assistance contract revenues derived from
79.12 operations the cost of which is excluded from the computation of total operating cost.
79.13 (d) If a recipient informs the commissioner in writing after the establishment of these
79.14 percentages but prior to the distribution of financial assistance for any year that paying its
79.15 designated percentage of total operating cost the operating assistance amount from local
79.16 sources will cause undue hardship, the commissioner may reduce the percentage to be paid
79.17 from local sources by the recipient and increase the percentage to be paid from local sources
79.18 by one or more other recipients inside or outside the classification. However, the
79.19 commissioner may not reduce or increase any recipient's percentage under this paragraph
79.20 for more than two years successively. If for any year the funds appropriated to the
79.21 commissioner to carry out the purposes of this section are insufficient to allow the
79.22 commissioner to pay the state share of total operating cost the operating assistance amount
79.23 as provided in this paragraph, the commissioner shall must reduce the state share in each
79.24 classification to the extent necessary.
79.25 Sec. 10. Minnesota Statutes 2022, section 174.24, subdivision 3c, is amended to read:
79.26 Subd. 3c. Nonoperating assistance. The commissioner shall must determine the total
79.27 cost of any planning and engineering design, capital assistance, other capital expenditures,
79.28 and other assistance for public transit services that furthers the purposes of section 174.21
79.29 for any public transit system receiving or applying for the assistance in accordance with
79.30 generally accepted accounting principles. The percentage of local sources paid by any
79.31 recipient must not exceed 20 percent of the awarded amount. To be eligible for
79.32 non-operating-cost financial assistance, an applicant or recipient shall must provide to the
79.33 commissioner all financial records and other information and shall must permit any inspection
79.34 reasonably necessary to determine total cost and the amount of assistance that may be paid
79.35 to the applicant or recipient. When more than one county or municipality contributes
79.36 assistance to the operation of a public transit system, the commissioner shall must identify
79.37 one as a lead agency for the purpose of receiving money under this section. The commissioner
79.38 has the sole discretion to determine the amount of state funds distributed to any recipient
79.39 for non-operating-cost assistance.
79.40 Sec. 11. Minnesota Statutes 2022, section 174.247, is amended to read:
79.41 174.247 ANNUAL TRANSIT REPORT.
79.42 (a) By February 15 annually, the commissioner shall must submit a report to the
79.43 legislature on transit services outside the metropolitan area. The Metropolitan Council and

Senate Language UEH3436-1

64.1 Except as provided in a United States Department of Transportation program allowing or
64.2 requiring a lower percentage to be paid from local sources, the remainder of the recipient's
64.3 total contracted operating cost will be paid from state sources of funds less any assistance
64.4 received by the recipient from the United States Department of Transportation.
64.5 (c) For purposes of this subdivision, "local sources" means all local sources of funds
64.6 and includes all operating revenue, tax levies, and contributions from public funds except
64.7 that the commissioner may exclude from the total assistance contract revenues derived from
64.8 operations the cost of which is excluded from the computation of total operating cost.
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64.26 generally accepted accounting principles. The percentage of local sources paid by any
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64.35 for non-operating-cost assistance.
64.36 Sec. 11. Minnesota Statutes 2022, section 174.247, is amended to read:
64.37 174.247 ANNUAL TRANSIT REPORT.
64.38 (a) By February 15 annually, the commissioner shall must submit a report to the
64.39 legislature on transit services outside the metropolitan area. The Metropolitan Council and
Any public transit system receiving assistance under section 174.24 must provide assistance in creating the report, as requested by the commissioner.

(b) The report must include, at a minimum, the following:

(1) a descriptive overview of public transit in Minnesota;

(2) a descriptive summary of funding sources and assistance programs;

(3) a summary of each public transit system receiving assistance under section 174.24;

(4) data that identifies use of volunteers in providing transit service;

(5) financial data that identifies for each public transit system and for each transit system classification under section 174.24, subdivision 3b:

(i) the operating and capital costs;

(ii) each of the funding sources used to provide financial assistance; and

(iii) for federal funds, the amount from each specific federal program under which funding is provided;

(6) a summary of the differences in program implementation requirements and aid recipient eligibility between federal aid and state sources of funds; and

(7) in each odd-numbered year, an analysis of public transit system needs and operating expenditures on an annual basis, which must include a methodology for identifying monetary needs, and calculations of:

(i) the total monetary needs for all public transit systems, for the year of the report and the ensuing five years;

(ii) the total expenditures from local sources for each transit system classification;

(iii) the comprehensive transit assistance percentage for each transit system classification, which equals (A) the expenditures identified under item (ii), for a transit system classification, divided by (B) the amounts identified under subitem (A), plus the sum of state sources of funds plus federal funds provided to all transit systems in that classification; and

(iv) the amount of surplus or insufficient funds available for paying capital and operating costs to fully implement the greater Minnesota transit investment plan under section 174.24, subdivision 1a.

Sec. 12. REPEALER.

(a) Minnesota Statutes 2022, sections 174.22, subdivisions 5 and 15; and 174.23, subdivision 7, are repealed.

(b) Minnesota Rules, parts 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, and 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250.

Any public transit system receiving assistance under section 174.24 must provide assistance in creating the report, as requested by the commissioner.

(b) The report must include, at a minimum, the following:

(1) a descriptive overview of public transit in Minnesota;

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(6) a summary of the differences in program implementation requirements and aid recipient eligibility between federal aid and state sources of funds; and

(7) in each odd-numbered year, an analysis of public transit system needs and operating expenditures on an annual basis, which must include a methodology for identifying monetary needs, and calculations of:

(i) the total monetary needs for all public transit systems, for the year of the report and the ensuing five years;

(ii) the total expenditures from local sources for each transit system classification;

(iii) the comprehensive transit assistance percentage for each transit system classification, which equals (A) the expenditures identified under item (ii), for a transit system classification, divided by (B) the amounts identified under subitem (A), plus the sum of state sources of funds plus federal funds provided to all transit systems in that classification; and

(iv) the amount of surplus or insufficient funds available for paying capital and operating costs to fully implement the greater Minnesota transit investment plan under section 174.24, subdivision 1a.
81.14 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310;
81.15 8835.0320; 8835.0330, subparts 1, 3, and 4; and 8835.0350, subparts 1, 3, 4, and 5, are
81.16 repealed.

73.6 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310;
73.7 8835.0320; 8835.0330, subparts 1, 3, and 4; and 8835.0350, subparts 1, 3, 4, and 5, are
73.8 repealed.