

HOUSE RESEARCH

Bill Summary

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Overview

This bill establishes a new Minnesota Transit Authority and vests it with various powers related to transit planning and funding as well as metro area transit operation. It transfers to the transit authority most transit-related duties and powers of Metro Transit, the Minnesota Department of Transportation's Office of Transit, county regional railroad authorities, and the Metropolitan Transit Development Board. The bill also makes numerous changes concerning transit governance, finance, and operation.

Section

- 1** **Public official.** Amends the definition of "public official" in the chapter on financial disclosure to include a member of the Minnesota Transit Authority.
- 2** **Generally.** Raises the general sales tax by 0.25 percent, to be 6.75 percent (which does not include the three-eighths of a percent sales tax increase under the 2008 constitutional amendment). The metro area transit sales tax authorized in 2008 legislation is also repealed, so the effect of the change is to raise the sales tax outside of certain counties in the metropolitan area.
- 3** **Deposit of revenues.** Allocates 3.7 percent of the general sales and use tax revenue to a new Minnesota Transit Authority account.
- 4** **Authorization; scope.** Makes conforming changes.
- 5** **Rate.** Maintains the current tax rate for the motor vehicle sales tax.
- 6** **General.** Modifies the powers of county regional railroad authorities related to improvement of rail service and planning, improving, maintaining, or operating rail facilities. Makes conforming changes to a repealer of certain railroad authority powers to plan, design, construct, and maintain railroads and railroad facilities.

- 7 **Authorization.** Modifies the bonding authority of county regional railroad authorities to eliminate use of bond proceeds for upcoming operating expenses.
- 8 **Minnesota Transit Authority.** Defines “Minnesota Transit Authority” in the chapter on metropolitan government.
- 9 **Minnesota transit authority; creation.** Establishes the Minnesota Transit Authority, and specifies membership and administrative provisions.
- Subd. 1. Creation.** Establishes the Minnesota Transit Authority by transferring Metro Transit into a new political subdivision. Specifies selection of the 11 members that comprise the authority.
- Subd. 2. Terms.** Establishes a three-year term of service, and specifies shorter lengths for certain initial appointments.
- Subd. 3. Voting.** Establishes weighted voting for the members of the authority, so that the members representing five metropolitan counties (excluding Hennepin and Ramsey) receive one-half of a vote and the remaining members each receive one vote.
- Subd. 4. Chair.** Provides for election of a chair and appointment of a vice-chair.
- Subd. 5. Bylaws.** Requires that the authority adopt bylaws for its procedures and duties.
- Subd. 6. Executive director.** Requires that the authority appoint an executive director.
- Subd. 7. Compensation.** Specifies compensation of members following a current law statute for certain administrative boards, which includes (1) compensation at \$55 per working day plus certain reimbursement, and (2) a requirement that public employees cannot receive the funds if already compensated for their other job.
- 10 **Transfer of power.** Transfers various state and local transit-related powers and duties to the Metropolitan Transit Authority.
- Subd. 1. Metropolitan Council.** Transfers the powers and duties of the Metropolitan Council to plan, operate, and contract for transit to the Metropolitan Transit Authority.
- Subd. 2. Department of Transportation.** Transfers the powers and duties of the Minnesota Department of Transportation’s Office of Transit to the Metropolitan Transit Authority, including federal Transit Administration grantee status and powers related to passenger rail service.
- Subd. 3. Regional rail authorities.** Transfers the powers and duties of county regional railroad authorities to plan, fund, construct, and operate rail transit to the Metropolitan Transit Authority.
- Subd. 4. Metropolitan Transit Development Board.** Transfers the powers and duties of the Metropolitan Transit Development Board to the Metropolitan Transit

Authority.

- 11 Powers of authority.** Makes conforming changes, and removes provisions made obsolete by the bill.
- 12 Additional duties of Minnesota Transit Authority.** Specifies various powers, policies, and requirements of the transit authority.
- Subd. 1. Bus purchases.** Makes the transit authority the central purchaser of transit buses for the state.
- Subd. 2. Rail construction and operation.** Makes the transit authority the agency for construction and operation of state and locally funded rail service.
- Subd. 3. Transit control.** Requires that the transit authority's central control center manage all transit buses in the metropolitan area regardless of the transit provider. Places the transit authority in charge of all bus stops, bus lanes, and bus terminals in the metropolitan area.
- Subd. 4. Transit information.** Places the transit authority in charge of all transit-related information services.
- Subd. 5. Insurance.** Requires the transit authority to provide a self-insurance option for transit providers.
- Subd. 6. Subsidies.** Requires the transit authority to develop standards for subsidy per passenger in publicly funded transit service.
- Subd. 7. Coordination.** Mandates that the transit authority and other transit providers explore coordination opportunities.
- Subd. 8. Efficiencies.** Requires review of paratransit and special transportation services to reduce duplication with the fixed route system without creating undue hardship.
- Subd. 9. Public-private partnerships.** Authorizes the transit authority to form partnerships with private van services.
- Subd. 10. Interstate coordination.** Requires the transit authority to coordinate with neighboring states on public transportation.
- Subd. 11. Public transportation connecting Minnesota cities.** Requires the transit authority to inventory current city-to-city public transit connections and create a plan for improvement of the city-to-city system.
- 13 Local planning and development program.** Makes conforming changes.
- 14 Contracts.** Allows the Metropolitan Transit Authority to make contracts for transit assistance throughout the state and eliminates certain Metropolitan Council provisions related to required financial assistance for transit providers in the early 1980s and required impact assessments before entering into a contract. Makes conforming changes.
- 15 Transit service areas.** Modifies the services for which the authority can provide financial

assistance to private operators of public transit.

- 16 Special transportation service.** Amends requirements for special transportation service to extend beyond the transit taxing district. Eliminates provisions on coordination and allocation of funding for special transportation services. Makes conforming changes.
- 17 Livable communities demonstration fund.** Renames the transit for livable communities demonstration program fund and makes money from the fund available only to projects that are within a quarter mile of a fixed transit route.
- 18 Replacement service program.** Makes various changes to the opt-out program, to allow the authority to make grants to cities and towns but eliminate requirements concerning the amount of assistance and the grant application process. Makes conforming changes.
- 19 General authority.** Makes conforming changes.
- 20 Obligations.** Makes conforming changes.
- 21 Legal investments.** Makes conforming changes.
- 22 Transit capital improvement program.** Removes a requirement that the transit capital improvement program be on a three-year basis. Makes conforming changes.
- 23 Anticipation of grants.** Makes conforming changes.
- 24 Service bidding.** Eliminates requirements governing bidding for transit service.
- 25 Light rail and commuter rail; general requirements.** Requires that light rail transit and commuter rail planning conform to Federal Transit Administration requirements.
- 26 Federal funding; light rail transit.** Makes conforming changes.
- 27 Powers.** Eliminates former Metropolitan Council powers concerning design and construction of roads and parking facilities. Makes conforming changes.
- 28 Operator.** Makes conforming changes.
- 29 Authorization.** Makes conforming changes.
- 30 Policy for notice of investigations.** Makes conforming changes.
- 31 Chief law enforcement officer.** Transfers authority from the Metropolitan Council's regional administrator to the chair of the Minnesota Transit Authority to appoint a chief of the metropolitan transit police.
- 32 Emergencies.** Makes conforming changes.
- 33 Fare policy.** Amends the fare policy of the former Metro Transit to eliminate a provision on ensuring that no fare on a route is higher than the average cost of providing that route. Eliminates a provision authorizing social fares for youths during high crime seasons. Makes conforming changes.
- 34 Agreements with authority; encouragement of transit use.** Makes conforming changes.

- 35 **Transit and highway systems.** Makes conforming changes.
- 36 **Includes no worse off clause.** Makes conforming changes.
- 37 **Rights of system workers in takeover of transit system.** Makes conforming changes.
- 38 **Employer contributions for certain employees.** Makes conforming changes.
- 39 **Authority; borrowing money.** Makes conforming changes.
- 40 **Transit tax levies.** Expands the transit taxing district to include the entire seven-county metropolitan area as well as any county in which at least one-third of residents work within the limits of the former transit taxing district boundaries. Makes conforming changes.
- 41 **Transit assets exempt from tax but must pay assessments.** Makes conforming changes.
- 42 **Act exclusive.** Makes conforming changes.
- 43 **Statewide mass transit plan.** Directs the transit authority to create a comprehensive statewide plan and submit a legislative report by January 1, 2010. Specifies plan elements.
- 44 **Revisor's instruction.** Directs the Revisor of Statutes to make conforming changes.
- 45 **Repealer.** Repeals various transit-related provisions:
- [297A.992, 297A.993] 2008 legislation authorizing a 0.25 percent metro area sales tax increase and the Counties Transit Improvement Board, as well as a 0.5 percent sales tax increase for transportation in greater Minnesota
 - [398A.04] Authority for county regional railroad authorities to plan, design, construct, and maintain railroads and railroad facilities, and authority to apply to necessary permits
 - [473.384] Certain Metropolitan Council provisions related to required financial assistance for transit providers in the early 1980s and required impact assessments before entering into a contract
 - [473.387] A Metropolitan Council requirement to establish special programs that increase public transit availability or reduce costs for certain targeted groups, including jobseekers and transit dependant groups
 - [473.391] Authority for the transit authority to enter into certain contracts with other transit operators for new or reconfigured transit service
 - [473.391] Criteria for the transit authority to use in considering service reduction or route elimination
 - [473.399] Various requirements concerning transitway planning, funding, and development
 - [473.3994] Various requirements governing the design, public hearing, local approval, and construction oversight of light rail transit facilities (also see section 25 of the bill)

- [473.4461] A prohibition on levying for transit capital outside of the transit taxing district unless the Metropolitan Council and the community agree to an expansion of transit service into that community
- [Laws 2008, ch. 152, art. 6, § 9] A 2008 provision requiring the Metropolitan Council to negotiate with the Federal Transit Administration concerning a single program for establishing certain rail transit lines

The act is effective August 1, 2009.