

# HOUSE RESEARCH

## Bill Summary

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### Overview

This legislation concerns the public transit assistance program administered by Minnesota Department of Transportation (MnDOT). Changes in the bill would provide various statutory clarifications on how the public transit participation program works based on agency practice; establish requirements for how MnDOT handles associated federal aid; modify legislative reporting; and remove obsolete language and make technical changes.

#### Section

- 1 State sources of funds.** Defines “state sources of funds” in order to draw a distinction between state and federal funding streams.
- 2 General.** Makes technical changes, to clarify a standing appropriation and remove obsolete language on establishment of guidelines (which have instead been implemented through rulemaking).
- 3 Financial assistance; application, approval.** Modifies the approval process for providing grants so that regional development commissions review but do not approve the grants.
- 4 Greater Minnesota transit investment plan.** Amends and clarifies the greater Minnesota transit investment plan, so that the plan for meeting certain percentages of needs is based on total needs as opposed to those remaining needs that are unmet, and the plan identifies the costs necessary to meet 100 percent of service needs. Renames the plan to match MnDOT’s name.
- 5 Eligibility; application.** Clarifies that aid under the transit assistance program is only for distribution outside of the metropolitan area except for certain federal funds.
- 6 Federal aid.** Establishes that MnDOT may receive and allocate federal transit assistance funds and provides program implementation and rulemaking authority. Requires that the federal funds must be maintained in separate accounts from state funds, and that all transit

assistance aid go only to eligible recipients.

- 7 **Operating assistance; recipient classifications.** Clarifies the minimum local match requirements for local transit providers receiving state and federal aid, so that:
- the minimum local effort percentages set in statute can be modified in cases of federal programs that allow or require a lower local match (or no local match);
  - local effort percentages under current law are calculated against the amount of contracted assistance from the state; and
  - an obsolete provision concerning the Duluth Transit Authority is removed.

Makes technical changes.

- 8 **Method of payment, operating assistance.** Establishes that the payment schedule for assistance to transit providers only applies to state (and not federal) aid.
- 9 **Annual transit report.** Modifies the annual transit report to the legislature, to: require additional detail on transit system finances; identify programmatic differences between the state program and federal requirements; and include an analysis of transit needs.